Canadian Grain Commission | Commission canadienne des grains

Canadian Grain Commission

March 31, 2007

Departmental Performance Report

The Honourable Gerry Ritz
Minister of Agriculture and Agri-Food
and Minister for the Canadian Wheat Board

Canada

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SECTION I – OVERVIEW

Minister's Message

I am pleased to submit to Parliament and Canadians the Canadian Grain Commission's (CGC) *Departmental Performance Report* (DPR) for the fiscal year 2006-2007. This report details how the CGC used its resources from April 1, 2006 to March 31, 2007 to regulate grain handling and establish and maintain grain standards, while protecting the interests of producers and ensuring a dependable commodity for domestic and export markets.

As Minister of Agriculture and Agri-Food, I have been impressed by my portfolio team's dedication to serving the agriculture and agri-food sector and indeed all Canadians. Although they have different mandates, the six organizations within the Agriculture and Agri-Food Portfolio – Agriculture and Agri-Food Canada (AAFC), the Canadian Dairy Commission, the Canadian Food Inspection Agency, the Canadian Grain Commission, Farm Credit Canada and the National Farm Products Council – are working together effectively to build a profitable future for Canadian producers and the other players in the agriculture and agri-food sector.

Given the inherent complexities of the challenges, I maintain that collaborating as a portfolio is essential if we are to succeed in achieving long-term prosperity for Canada's agriculture and agri-food sector. I have seen the advantages of teamwork on priorities such as the development of the Next Generation of Agriculture and Agri-Food Policy. I am confident this collaborative spirit will continue to be a defining feature of my portfolio as implementation of the new policy proceeds over the coming months.

As part of the integrated strategic approach to the future of the Canadian grains sector, on September 18, 2006, an independent and comprehensive review of the operations of the CGC and the provisions of the *Canada Grain Act* was tabled in Parliament. This legislative review was commissioned by AAFC and conducted by COMPAS Inc. (http://www.compas.ca), a Toronto-based public opinion and customer research consulting firm. The COMPAS report was referred to the Standing Committee on Agriculture and Agri-Food (SCAAF) for consideration. SCAAF held meetings and called witnesses, before tabling its "Report on the Review of the *Canada Grain Act* and the Canadian Grain Commission Conducted by COMPAS Inc." in Parliament on December 5, 2006. A government response to the SCAAF report was provided on April 16, 2007. Most of the SCAAF recommendations remain under review as the government considers changes to the *Canada Grain Act* and the CGC. Both the COMPAS report and the Government's response to the SCAAF report are available on AAFC's web site at www.agr.gc.ca/cgcreview. The review is part of a process that will provide guidance as to how the CGC can effectively add more value to Canadian producers and the grain industry in general.

This Departmental Performance Report outlines the CGC's performance during fiscal year 2006-2007, as well as organizational challenges and responsibilities and how they are being addressed.

The Honourable Gerry Ritz
Minister of Agriculture and Agri-Food
and Minister for the Canadian Wheat Board

Chief Commissioner's Message

Welcome to the Canadian Grain Commission's (CGC) 2006-2007 *Departmental Performance Report* (DPR).

The CGC is the federal agency responsible for setting standards of quality and regulating Canada's grain handling system. Our vision is to be a leader in delivering excellence and innovation in grain quality and quantity assurance, research, and producer protection.

Canada has a strong reputation for supplying domestic and world markets with safe, high quality grain. The CGC's role in providing assurance of grain quality, quantity, and safety are integral in helping Canada maintain this reputation. As a result, the CGC plays a key role in achieving a "Canada Brand" for grains. The CGC is continually working alongside the Minister of Agriculture and Agri-Food's (AAFC) portfolio partners and the grain industry to maintain market competitiveness and add value to Canadian producers and Canada's grain quality assurance system.

The 2006-2007 fiscal year has presented the CGC with many challenges including: continued pressures on Canada's visual grading system, increased consumer concerns about grain quality and grain safety assurances, and significant funding pressures. The CGC continued to deliver its mandate despite these challenges. Highlights of some CGC accomplishments during the past fiscal year include:

- Continued development and implementation of our integrated Wheat Quality Assurance Strategy (WQAS) to address the challenges of visually indistinguishable nonregistered wheat varieties and the constraints that kernel visual distinguishability (KVD) imposes on the development and handling of non-milling wheats. Progress on specific WQAS elements includes:
    - Continued regular monitoring of railcar unloads and vessel shipments of wheat to determine that shipments of Canadian grain have not been contaminated with nonregistered and/or visually indistinguishable potentially inferior varieties.
    - Intentions to proceed with implementation of a wheat class restructuring plan that represents a balanced solution to stakeholder needs was announced after thorough evaluation of all feedback and divergent viewpoints related to the June 2005 discussion document titled "*The Future of Western Canadian Wheat Quality Assurance*". Effective August 1, 2008 a Canada Western General Purpose (CWGP) wheat class will be introduced and KVD requirements for the six minor wheat classes will be removed.
- Implementation of the CGC "Licensing Compliance Initiative" effective August 1, 2006. In May 2005, the CGC provided notice of its intention to require compliance to the licensing provisions of the *Canada Grain Act* (CGA) to enhance producer protection and strengthen the grain quality assurance system. In order to conduct business, all elevators and grain dealers, as defined by the CGA, must be either licensed and secured, or exempted, or be subject to criminal prosecution. To facilitate compliance, the CGC streamlined the licensing renewal process and continued to evaluate alternative security instruments while still providing adequate financial protection to producers.

- Continued assessment of new RapidVisco Analyser (RVA™) technology which offers an objective assessment of sprout damage in wheat by providing estimated falling number (FN) values quickly and simply. FN is the internationally accepted measure of alpha-amylase activity – an enzyme found in sprout-damaged wheat. RVA technology may provide the Canadian grain industry with the ability to segregate producer deliveries at the primary elevator. It may also provide a solution to accurate, objective results at both primary and terminal elevators where space for specialized laboratory equipment is limited and rapid turnaround is key. The CGC is currently chairing a RVA Industry Working Group that is examining how best to implement FN into the wheat grading system should RVA technology prove to be viable. Additionally, in collaboration with the RVA Working Group, the CGC conducted an industry-based project at two primary elevators in Manitoba and Alberta. This project demonstrated that it was feasible for the method to be performed accurately by elevator staff without any specialized technical skills.

Over the past several years, reviews of the CGC have repeatedly recognized the value of the CGC to the grain sector, but have also identified the need for change. Most recently, on September 18, 2006, a report concerning the future of the CGC and the CGA was tabled in Parliament (www.agr.gc.ca/cgcreviewa). The independent report was subsequently referred to the Standing Committee on Agriculture and Agri-Food (SCAAF) for consideration. SCAAF tabled its review of the COMPAS report in Parliament on December 5, 2006. A government response to the Standing Committee report was provided on April 16, 2007.

The CGC has studied the COMPAS and SCAAF report recommendations and has been working collaboratively with AAFC on next steps necessary to facilitate the long-term success of Canada's GQAS. This will enhance Canada's competitive advantage in global grain markets and ultimately create value for Canadian grain producers and the grain sector overall.

I invite you to read this report to learn more about the CGC's accomplishments and how the organization carried out its mandate during the 2006-2007 reporting period.

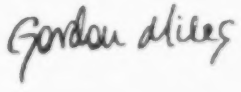
Chris Hamblin
Chief Commissioner
Canadian Grain Commission

Management Representation Statement

I submit for tabling in Parliament, the 2006-2007 *Departmental Performance Report* (DPR) for the Canadian Grain Commission.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2006-2007 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the department's approved Strategic Outcomes and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved numbers from the *Estimates and the Public Accounts of Canada*.



Gordon Miles
Chief Operating Officer

Summary Information

Reason for Existence:

Mandate

The CGC derives its authority from the *Canada Grain Act* (CGA). The CGC's mandate as set out in this Act is to, in the interests of producers, establish and maintain standards of quality for Canadian grain and regulate grain handling in Canada, to ensure a dependable commodity for domestic and export markets.

Vision

The CGC vision is to be "A leader in delivering excellence and innovation in grain quality and quantity assurance, research, and producer protection."

Department Description and Accountability

The Honourable Gerry Ritz, Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board is the Minister responsible for the CGC. The CGC is headed by a Chief Commissioner, an Assistant Chief Commissioner, and a Commissioner who are all appointed by the Governor in Council. The Commissioner position is currently vacant. The Chief Commissioner reports to the Minister. The Chief Operating Officer reports to the Chief Commissioner and co-ordinates the activities of the CGC's operating divisions.

The CGC is organized into the Executive, Corporate Services, Grain Research Laboratory (GRL), Industry Services, and Finance divisions. Its head office is located in Winnipeg, Manitoba. Industry Services comprises five regions: Bayport, Eastern, Pacific, Prairie and Thunder Bay. As of March 31, 2007, the CGC employed 631 full-time equivalents and operated 15 offices across Canada.

The CGC may have up to six Assistant Commissioners for the main grain producing areas of Canada, also appointed by the Governor in Council. As of March 31, 2007, the CGC had three Assistant Commissioners. The Assistant Commissioners deal with producer and grain industry complaints and inquiries, and publicize the activities of the CGC at the farm level. Section III provides further detail on the CGC's organizational structure.

The CGC enhances grain marketing in producers' interests through the inspection, weighing, research and producer support programs and services identified in the Strategic Outcomes in Section II. The uniform provision of these programs results in equitable grain transactions and consistent and reliable grain shipments. Funding for CGC programs and activities comes from a combination of revolving fund and appropriation sources.

Departmental Priorities During the 2006-2007 Reporting Period

1. Ongoing delivery of the CGC mandate under the CGA in a climate of constantly changing international and domestic markets, technological advancements, and evolving end-user needs and preferences.
2. Positioning the Canadian grain quality assurance system (GQAS) to remain relevant and to support the continued competitiveness of Canadian grains in both domestic and international markets.
3. Licensing compliance.
4. Sustainable CGC funding mechanism.

Financial Resources (S thousands)

Planned Spending	Total Authorities	Actual Spending
$76 738	$77 959	$67 204

Human Resources (FTEs)

Planned	Actual	Difference
712	631	81*

*The difference between actual and planned FTEs reflects the following:

- Planned FTEs for 2006-2007 should have been reflected in the RPP as 664.
- The increase in grain volumes and corresponding work volumes caused a delay in hiring activities.

Departmental Priorities – Status on Performance (S thousands)

2006-2007				
Status on Performance			**Planned Spending**	**Actual Spending**
Strategic Outcome 1: A grain quality assurance system that addresses the changing requirements of domestic and international grain markets				
Priority #1 (ongoing)	**Program Activity:** Deliver inspection and testing services **Expected Result:** Increased buyer satisfaction through delivery of consistent Canadian grain quality and increased marketability of Canadian grain **Results:** see Section II	**Performance Status:** Successfully met	44 736	37 556
Priority #2 (ongoing)		**Performance Status:** Successfully met	4 627	4 010
Priority #4* (new)		**Performance Status:** Not met**	56	21
Strategic Outcome 2: A grain quantity assurance system that addresses the changing needs of the grain industry				
Priority #1 (ongoing)	**Program Activity:** Deliver weighing services **Expected Result:** Client satisfaction with CGC weighing and dispute resolution programs **Results:** see Section II	**Performance Status:** Successfully met	15 749	12 051
Priority #2 (ongoing)		**Performance Status:** Successfully met	247	265
Priority #4* (new)		**Performance Status:** Not met**	56	21

Strategic Outcome 3: Research and development on grain quality that enhances the marketability of Canadian grain				
Priority #1 (ongoing)	**Program Activity**: Conduct research to understand and measure grain quality **Expected Results:** Adaptation of new objective methods for quality assessment and grain safety assurance; adoption and publication of new methods by current standard setting organizations; provision of accurate quality assessment tools for new breeder lines **Results:** see Section II	**Performance Status:** Successfully met	458	479
Priority #2 (ongoing)		**Performance Status:** Successfully met	8 713	9 103
Priority #4* (new)		**Performance Status:** Not met**	56	21
Strategic Outcome 4: Producers' rights are supported to ensure fair treatment within the grain handling system				
Priority #1 (ongoing)	**Program Activity**: Protect producers' rights **Expected Result:** Increased producer satisfaction with the grain handling system **Results:** see Section II	**Performance Status:** Successfully met	1 264	2 038
Priority #3 (ongoing)		**Performance Status:** Successfully met	944	1 702
Priority #4* (new)		**Performance Status:** Not met**	56	21

* Priority #4 has been identified for information purposes only. These costs are already included within each strategic outcome.

**Refer to page 17 for further information.

Summary of Departmental Performance

The Canadian grain industry operates in a climate of constant change marked by shifting international and domestic markets, technological advancements, and evolving end-user needs and preferences. Canada's GQAS must continually adapt to keep pace with the evolution of the global grain industry. This is particularly important considering Canada exported more than $28 billion worth of agriculture and agri-food products in 2006. About 35% of these exports were grains, oilseeds and related products with an estimated value of $10 billion.

The CGC is confident that the program activities and related key programs and services identified in Section II illustrate how the CGC strived to achieve its strategic outcomes and priorities during 2006-2007 while at the same time, contributed to the long-term interests of the Canadian grain industry. The relationships between the CGC's priorities, strategic outcomes, and program activities are further detailed in Section II.

Link to the Government of Canada Outcome Areas

Canada's Performance 2006 is the sixth annual report to Parliament on the federal government's contribution to Canada's performance as a nation. This report highlights both strengths and areas for improvement. *Canada's Performance 2006* is structured around four main policy areas including: economic affairs, social affairs, international affairs, and government affairs. Within these policy areas are thirteen broad Government of Canada outcomes which form the framework used for the whole of government reporting. The whole of the government reporting framework groups departmental strategic outcomes and program activities into the thirteen Government of Canada outcomes.

All four of the CGC's strategic outcomes and program activities align with the key federal policy area of 'economic affairs'. As illustrated below, three of the CGC strategic outcomes and program activities align with and directly contributed to the pursuit of the Government of Canada outcome area *An Innovative and Knowledge-based Economy*. The fourth CGC strategic outcome and program activity aligns with and contributed to the pursuit of the Government of Canada outcome area of *A Fair and Secure Marketplace*.

CGC Strategic Outcome	CGC Program Activity	Link to Government of Canada Outcome Area
1. A grain quality assurance system that addresses the changing requirements of domestic and international grain markets	Deliver inspection and testing services	An innovative and knowledge-based economy
2. A grain quantity assurance system that addresses the changing needs of the grain industry	Deliver weighing services	An innovative and knowledge-based economy
3. Research and development on grain quality that enhances the marketability of Canadian grain	Conduct research to understand and measure grain quality	An innovative and knowledge-based economy
4. Producers' rights are supported to ensure fair treatment within the grain handling system	Protect producers' rights	A fair and secure marketplace

Challenges

The CGC's departmental priorities were critical in making significant progress towards the realization of the CGC's strategic outcomes in the 2006-2007 reporting period. The priorities focused on and were committed to delivering excellence and innovation in grain quality and quantity assurance, innovative research, and producer protection. The following section outlines the CGC's priorities and how they related to some of the major challenges confronting the organization during the 2006-2007 reporting period.

Priority #1 : Ongoing Delivery of the CGC Mandate Under the CGA in a Climate of Constantly Changing International and Domestic Markets, Technological Advancements, and Evolving End-user Needs and Preferences.

The CGC continued to fulfil its mandate through the operation of a national GQAS. This entailed effective inspection, weighing, monitoring, and grain sanitation programs to ensure grain exports were uniform and consistent with regard to intrinsic quality and grain safety assurance, while at the same time ensuring fair grain transactions. In addition, the CGC's research and development on grain quality continued in order to enhance the marketability of Canadian grain.

The first priority of the CGC was consistent daily delivery of programs and services within each of its organizational divisions in support of the CGC's strategic outcomes and program activities. Ongoing delivery of the CGC mandate contributed directly to the achievement of all of the CGC's strategic outcomes and program activities. The major programs and services performed within each division and the on-going human resource management activities in support of this priority are outlined below:

a. **Industry Services:**
   - Inspection services – outward and inward, reinspection and quality control, quality assurance standards, analytical services, dispute resolution services, certification and accreditation
   - Weighing services – outward and inward, dispute resolution
   - Registration and cancellation processes

b. **Grain Research Laboratory (GRL):**
   - Cereals, oilseeds, and pulse research
   - Grain safety assurance – monitoring and research
   - Objective grading methods development
   - Variety identification – monitoring and research
   - Quality monitoring and assurance
   - Development of methods to detect genetically modified (GM) grains

c. **Corporate Services:**
   - Communication services
   - Information services
   - Administration
   - Policy, planning, and producer protection
   - Statistical services
   - Health and safety services

d. **Finance Division:**
   - Reporting at the national and organizational level
   - Accounting operations
   - Budgeting and planning
   - Costing and cost recovery
   - Internal auditing
   - Procurement

c. **Management of Human Resources:**
   - Resourcing, retention, and performance management
   - Labour relations
   - Compensation and benefits
   - Learning and development

Priority #2: Positioning the Canadian GQAS to Remain Relevant and to Support the Continued Competitiveness of Canadian Grains in both Domestic and International Markets.

Canada's robust GQAS has permitted Canadian grain to be "branded" internationally for many years, providing Canada with a competitive advantage in the global grain market. However, the sensitivities of international grain buyers are increasing and generating additional specific end-use and certification requirements. As such, the CGC has recognized the importance of continuing to evolve and refine the Canadian GQAS to remain relevant and competitive in both the domestic and international marketplaces.

During the reporting period, the CGC continued to develop and implement many programs, initiatives, and new research methods and processes aimed at strengthening the Canadian GQAS. Enhancing Canada's grading system directly supports the CGC's strategic outcome #1 (a grain quality assurance system that addresses the changing requirements of domestic and international grain markets), and strategic outcome #3 (research and development on grain quality that enhances the marketability of Canadian grain).

Currently, Canada's kernel visual distinguishability (KVD) requirement for wheat allows quick and cost effective segregation of wheat into quality classes based on visual distinguishability. While KVD has provided Canadian wheat growers a competitive advantage, there are compelling reasons to move away from wheat segregation based solely on KVD. These include:

- Increasing demands for new varieties with different agronomic, disease resistance and end-use qualities to meet human (food), livestock (feed) and industrial (e.g., ethanol) needs. Presently, KVD is an additional criterion that plant breeders must incorporate into the development of new varieties.
- Nonregistered, visually indistinguishable varieties have the potential to compromise the quality of Canadian wheat shipments and the entire assurance system if they are misrepresented as a registered variety or accidentally enter the bulk handling system. They can cause significant financial losses for grain handling companies and marketers and pose a particular concern for western Canada's premier milling wheats - Canada Western Red Spring (CWRS) and Canada Western Amber Durum (CWAD).
- Buyers of Canadian grains are becoming more quality conscious and increasingly sophisticated. They are asking for a wider range of quality types. In order to enhance the traditional visual grading system, it is necessary to develop faster, more flexible and more

precise instrumental methods to objectively analyze intrinsic quality characteristics and to certify grain quality and safety.

- Visually indistinguishable grains developed for non-milling uses, such as animal feed, pharmaceutical, fuel and industrial purposes, will necessitate the development and introduction of effective instrumental tools to analyze quality parameters and certify quality and safety. Effective segregation of these grains from the food supply is essential to maintain the overall value of the GQAS.

There are also pressures to address KVD issues for non-cereal grains. The CGC is working towards the development of rapid methods and systems that can assist in the identification of varieties of different quality types.

The various CGC programs, initiatives, research methods and processes aimed at supporting and accomplishing this priority are described below:

Wheat Quality Assurance Strategy (WQAS)

To address the challenges of visually indistinguishable nonregistered wheat varieties and the constraints that KVD imposes on the development and handling of new varieties, the CGC continued to implement and build on the integrated WQAS that was initiated in December 2003 (http://grainscanada.gc.ca/newsroom/news_releases/2003/2003-12-19-e.htm). This strategy was composed of three elements:

1. *Increased monitoring of railcar and vessel shipments for nonregistered wheat varieties*

   To address growing sectoral concerns and support CGC certification processes, the CGC increased monitoring of grain shipments throughout the licensed handling system. Monitoring activities were expanded for wheat railcar unloads and vessel shipments for the presence and source of nonregistered wheat varieties.

   Currently, the CGC coordinates an extensive cargo monitoring program which includes the use of protein electrophoresis high-performance liquid chromatography technology (HPLC) and DNA analysis to monitor for ineligible varieties. This monitoring program provides the industry with information to help them better manage the handling system and requires that elevator operators exercise their own due diligence.

2. *Development of rapid affordable variety identification (VID) technology*

   Variety identification, combined with objective testing, will underpin the future of the Canadian GQAS and sustain Canada's position as a dependable supplier of quality grain to the international market. In order to support grain grading and inspection, to monitor the variety composition of export shipments, and to provide assurances for variety-specific shipments of wheat and barley, the CGC has developed and continues to develop non-visual methods for VID. Knowing the variety composition of a shipment is a practical alternative to classifying grains into end-use classes. Development of this technology will help meet the needs of marketers and producers.

   Currently, the CGC performs protein electrophoresis and DNA fingerprinting on individual kernels of grain. Many kernels must be analysed to determine the variety

composition of a sample. The long-term goal is to develop a DNA-based method that will determine the variety composition of a ground sample of grain rather than multiple individual kernels, similar to the technology successfully developed for barley by the CGC. The aim is to provide technology that accurately quantifies the variety composition of grain shipments in a timely manner in a commercial environment.

Through its VID work, the CGC continues to be a leader in the development of VID technology, the establishment of comprehensive variety fingerprint databases for wheat and barley, and in the implementation of these tools for the benefit of Canada's grain industry. The CGC is committed to transferring VID technology to the private sector for use in commercial VID testing. The CGC is also actively engaged with many private and public sector partners in the evaluation and development of such technologies.

3. *The development of a proposal to restructure the western Canadian wheat classes to enable the development of non-milling wheats*

In June 2005, the CGC released a discussion paper titled *The Future of Western Canadian Wheat Quality Assurance*. This document included a proposal to restructure some of the minor wheat classes in order to facilitate the registration and handling of high yielding, non-milling wheats which currently cannot be registered because of KVD. After thorough evaluation of all stakeholder feedback, in June 2006 the CGC announced its intent to eliminate KVD requirements for the six minor classes and introduce a new Canada Western General Purpose (CWGP) wheat class effective August 1, 2008. With this plan, the major wheat classes (CWRS and CWAD) will remain unchanged in terms of variety registration requirements, including KVD. In addition, varieties within the minor classes can resemble each other, but must remain visually distinguishable from CWRS or CWAD. http://grainscanada.gc.ca/newsroom/news_releases/2006/2006-06-29-e.htm http://grainscanada.gc.ca/Pubs/discussions/wqas/update06_06_01contents-e.htm

Implementation of this plan will allow breeding institutions to concentrate their resources and efforts on traits that are of economic significance to producers and end-use customers. As such, producers, marketers and customers will have access to a wider range of wheat varieties than the current system permits, while the integrity of the major milling classes and grades remains protected. Since the announcement, the CGC has worked in close collaboration with industry stakeholders to identify the relevant processes and regulations that require reworking in order to meet the August 2008 deadline. All the necessary steps are in process or near completion.

Process Verification

In a marketplace with increasing global demands for unique product specifications and traceability requirements, the CGC continued to develop and implement process verification programs with the goal of enhancing global acceptance of Canadian grain by delivering specific quality attributes demanded by domestic and international buyers.

Ineligible Varieties Working Group (IVWG)

The CGC is part of a grain industry working group (IVWG) whose objective is to develop protocols for sampling, testing, and process controls that will minimize the incidence of visually indistinguishable ineligible varieties being shipped to buyers under incorrect certification. The working group continued to investigate the potential for an industry Quality Management System that would have the CGC monitor and audit logistical processes within the Canadian grain handling system.

The IVWG is developing protocols that apply to varietal testing and process controls throughout the grain supply chain (originating at the primary elevator through to export terminals and vessel loading) for all cargo shipments of western Canadian wheat and durum that will receive a Certificate Final. The CGC is overseeing the design and plans to conduct a pilot study to determine if IVWG protocols are auditable and effective in mitigating the risks posed by ineligible varieties.

Canadian Identity Preserved Recognition System (CIPRS)

CIPRS is a voluntary tool for process verification that the industry can use to provide third party assurance of the processes used throughout the supply chain to deliver the specific quality attributes and traceability that some domestic and international buyers require. During the 2006-2007 reporting period the CGC continued to implement CIPRS to recognize industry's ability to deliver products with improved quality assurance systems for maximum acceptance in global markets. In addition, the CGC continued to investigate the development of further tools and standards for process verification to address the need to segregate varieties with unique quality attributes within closed-loop identity preservation programs.

The CGC is also in the process of developing its CIPRS+ program, which adds a food safety and quality aspect to the program. The CGC is participating in soybean and mustard pilot studies to test the on-farm and post-farm impacts of implementing food safety and quality management models for identity preserved grains. The infrastructure supporting CIPRS is being adapted to provide verification of HACCP-based (Hazard Analysis Critical Control Points) processes in order to provide safety assurances for grain. For further information on the status of the CIPRS and CIPRS+ programs refer to http://grainscanada.gc.ca/prodser/ciprs/ciprs1-e.asp.

Coherent and Integrated Approach to Handling Imported Grain

The CGC continued to support Canadian WTO obligations regarding the treatment of imported grain, while at the same time maintaining the integrity and policy objectives of the Canadian GQAS. The CGC liaised with appropriate government portfolio organizations and relevant industry stakeholders to explore, examine, and refine an integrated approach to handling imported grain.

Research and Objective Testing

Many international grain buyers are investigating the exporting country of origin's practices and regulations concerning such factors as registered genetically modified (GM) events, pesticide registrations, residue limits and usage, and recognized grain and food safety programs.

During the reporting period, the CGC continued to augment its GQAS system with new objective testing methods to quantify the impact of degrading factors and to assure grain quality and safety for end-users.

Grain Safety

The CGC continued to develop new and improved objective methods for testing chemical residues, natural toxins, trace elements and micro-organisms because of the growing complexity and sophistication of regulatory and technological requirements of importing countries. Progress is continuing on research initiatives directed at cargo specific grain safety testing for ochratoxin A and baseline studies of bacteria and degrading factors such as fusarium.
http://grainscanada.gc.ca/Grl/grain_safety/grain_safety-e.htm

Grading System Factors - Falling Number (FN) and Rapid Viscosity Analysis (RVA)

FN is the internationally accepted measure of alpha-amylase activity – an enzyme found in sprout-damaged (germinated) wheat. Many buyers place strict limits on FN in the wheat they buy because flour damaged by alpha-amylase results in undesirable final product characteristics. Sprout damage in wheat is difficult to assess - a wheat sample containing even a small amount of severely sprouted kernels may have high levels of alpha-amylase.

In the Canadian wheat grading system, sprout damage is a visually assessed grading factor. The CGC is currently chairing an Industry Working Group to determine how best to implement FN into the grading system should technology prove to be viable. Extensive discussions have taken place and are ongoing.

During the reporting period, the CGC continued its assessment of new RapidVisco Analyser (RVA^{TM}) technology and purchased additional units for intensive field trials. RVA technology offers an objective assessment of sprout damage by providing estimated FN values quickly and simply. The CGC in collaboration with the RVA Industry Working Group conducted an industry-based pilot project at two primary elevators in Manitoba and Alberta. This project demonstrated that it was feasible for the method to be performed accurately by existing elevator staff. Ultimately, RVA technology may provide a solution to accurate, objective results in primary elevators and in terminal elevators where space for specialized laboratory equipment is limited and the ability to segregate deliveries with rapid turnaround is critical.

Genetically Modified (GM) Grains

Many countries are establishing GM labelling and traceability requirements in response to differing consumer preferences. As a result, the ability to segregate GM grain and non-GM varieties is critical to maintaining Canada's international market share and meeting the requirements of the International Biosafety Protocol. The ability to segregate will benefit exporters of Canadian food products given that there is a growing requirement to label products.

In addition, due to asynchronous approval of GM events in different importing countries it may become necessary to determine the status of grain shipments with respect to various GM events. The CGC continued to develop and/or validate GM organism detection, identification and quantification methods for grains. The CGC also continued to collaborate with Agriculture Portfolio partners in the development of operational and testing efficiencies to address GM organism and adventitious presence (AP) concerns. AP is defined as low level presence of GM events appearing in grain shipments that have been authorized in one or more countries, but not in the importing country.

Priority #3: Licensing Compliance

In May 2005, the CGC provided notice of its intention to require compliance to the licensing provisions of the CGA to enhance producer protection and strengthen the GQAS. The licensing compliance policy, http://www.grainscanada.gc.ca/pubs/discussions/compliance/introduction-e.htm, requires that companies dealing in or handling western grain be licensed by the CGC, or lawfully exempted from licensing, or subject to criminal prosecution.

To facilitate compliance, the CGC has worked toward reducing the costs and administrative requirements of licensees. For example, the CGC has implemented measures to streamline the licence renewal process and has continued to explore and evaluate alternative security instruments that will provide adequate financial protection to producers. In addition, the CGC has increased resources in the licensing, audit, and compliance operational units to address the increase in the number of licensees.

Since the licensing compliance policy came into effect on August 1, 2006, the CGC has licensed 47 new grain companies, the majority of which are grain dealers handling specialty grains such as peas, lentils, chickpeas and beans. Additional grain companies have been approved for licensing, subject to the submission of documents such as security (e.g. bonds, letters of credit, payables insurance). The CGC continued efforts to obtain information on other companies in order to prepare recommendations for licensing.

Priority #4: Sustainable CGC Funding Mechanism

The CGC is mandated to perform services as legislated by the CGA. Over the past 15 years, a combination of increasing costs and a freeze on mandatory fee levels has led to the CGC being chronically under-funded. During this time period, cost recovery levels dropped from around 90% to between 50 and 60%. This has required the CGC to seek interim government appropriations on an annual basis.

In order to meet evolving grain industry needs, labour contract settlements and general increases in the costs of goods and services, during the reporting period the CGC continued to engage in an ongoing process of cost containment and internal re-allocation of resources to new and emerging priorities. However, sustainable funding is imperative for the CGC to carry out its legislated responsibilities and maintain its capacity to create value for producers, the grain industry, and the Canadian public as an integral part of a successful Canadian GQAS.

During fiscal year 2006-2007, the CGC continued efforts to seek a sustainable funding mechanism. The CGC reviewed its costs to determine which ones should be publicly funded and which ones should be recovered by fees as CGC activities serve both the public interest and the interests of particular grain sector stakeholders. In addition, a review of alternative funding mechanisms was initiated and is underway to determine the optimal arrangement. Although a sustainable funding mechanism has not been determined, the CGC continues to work in consultation with AAFC and Government of Canada central agencies.

SECTION II – ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

Analysis by Program Activity

The CGC is organized around four strategic outcomes that reflect the planned direction of the CGC as well as the daily delivery of the CGC's program activities. The four strategic outcomes are:

1. **A grain quality assurance system that addresses the changing requirements of domestic and international grain markets**
2. **A grain quantity assurance system that addresses the changing needs of the grain industry**
3. **Research and development on grain quality that enhances the marketability of Canadian grain**
4. **Producers' rights are supported to ensure fair treatment within the grain handling system**

To illustrate the significance of each strategic outcome, the CGC has identified corresponding program activities and resources required. Each program activity has associated ongoing key programs or services with their own expected results. This section provides detailed information on the CGC's achievements for each program activity and each key program or service during the 2006-2007 reporting period.

Corporate infrastructure and government-wide initiatives are fundamental to achieving results and are factored into delivering the strategic outcomes using the CGC's costing model. The discussion and achievements relevant to the CGC's activities on government-wide initiatives and corporate infrastructure are found in Section IV.

Strategic Outcome 1: A grain quality assurance system that addresses the changing requirements of domestic and international grain markets.

Program Activity: *Deliver inspection and testing services*

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$ 49 363	$49 894	$41 566

Human Resources:

Planned	Authorities	Actual
458	458	390

An effective grain quality assurance system supports the enhanced marketability of Canadian grain which benefits producers and the grain industry. Daily provision of grain inspection

services supported by a strong scientific and technical base (e.g. testing grain or milling, baking, or cooking of end-use products) form a major part of the quality assurance system.

There are major challenges facing the CGC and the GQAS including: increased international emphasis on end-use functionality, growing global competition, and shifting domestic crop production and volume fluctuations. It is vital that the grading system and CGC services are continually adapted to the end-use needs of international and domestic buyers of Canadian grain, and to the ongoing structural changes within the grain industry.

Delivering inspection and testing services supports departmental Priority #1 and departmental Priority #2. Delivering inspection and testing services supports not only ongoing delivery of the CGC mandate, but also positions Canada with a sustainable competitive advantage in global grain markets. Addressing Priority #4 is critical in order for the CGC to continue fulfilling its statutory mandate and maintain service levels to producers and the grain industry.

The overall expected result of delivering inspection and testing services is increased buyer satisfaction through delivery of consistent Canadian grain quality and increased marketability of Canadian grain.

The following related key programs and services provide details on how the CGC was successful in meeting the expected outcomes and priorities associated with delivering inspection and testing services during the 2006-2007 reporting period.

Key Program or Service:

1. Deliver inspection and testing services for the quality assurance system

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$39 809	$40 237	$33 212

Provision of grain inspection and grading services forms a major part of the quality assurance system. The CGC delivers inspection services in accordance with the legislative mandate of the CGA in order to meet the requirements of the grain industry from producers to customers.

Grades allow buyers to identify end-use value without the need for end-use tests or direct examination of individual lots of grain. This improves the efficiency of grain handling and helps to ensure that sellers receive payment that reflects the value of their grain. A broad spectrum of producers and grain industry representatives meet several times annually, through the Western and Eastern Standards Committees and commodity-specific subcommittees, to study and review grain standards, ensuring relevance and value of those standards in facilitating the movement of grain and transfer of ownership.

The expected result of this key program is ongoing data collection and analysis that supports an effective GQAS to facilitate and maintain the marketability of Canadian grain and customer satisfaction. Daily provision of inspection and testing services for the quality assurance system is a key mandate supporting program that contributes to departmental Priority #1.

To measure its success in delivering this key program and achieving the expected results, the CGC uses the following tools:

- Tracking the number of samples inspected and the number of grade changes on official re-inspections (appeals of official inspection)
- A monitoring and verification process for the inspection of grain (cargo quality monitoring program)
- Ongoing monitoring and analysis of customer feedback received through the CGC's 1-800 line and directly from users of CGC services
- Tracking customer feedback as part of the ISO 9001:2000 Quality Management System
- Tracking buyer complaints on the accuracy of CGC certification (cargo complaints) on a weekly basis, through a comprehensive database of grain unloads

The following ongoing activities and programs are integral components of delivering inspection and testing services. Achievements during the 2006-2007 reporting period are provided to illustrate the CGC's success in meeting the expected results of this key program:

2006-2007 Related Activities	2006-2007 Results
Developing, changing, and setting grain quality standards as well as generating and distributing grain quality data and information, in partnership with the grain industry, to meet specific industry and buyer needs through the Western and Eastern Standards Committee meetings http://grainscanada.gc.ca/regulatory/standards/standards-e.htm	• Reviewed specific quality traits and grading factors that were perceived as problematic through discussions with representatives of the domestic industry. • Semi-annual meetings of the Western Standards Committee (WSC) were held in April 2006 and October 2006. http://grainscanada.gc.ca/Regulatory/Standards/w_standards-e.htm • Semi-annual meetings of the Eastern Standards Committee (ESC) were held in June 2006 and November 2006. http://grainscanada.gc.ca/Regulatory/Standards/e_standards-e.htm • Eleven standards and guides were prepared by the CGC, approved by the WSC, and released in November to the grain industry in western Canada. Approved all other pre-existing standards and guides for continued use in the 2006-2007 crop year. • The ESC approved 8 new CGC prepared guides and standards for grain industry use in eastern Canada. Approved all other pre-existing standards and guides for continued use in the 2006-2007 crop year. • Two standards were approved with a Canada designation (used across Canada).
Maintain an effective Quality Management System as per ISO 9001:2000 Standards. http://grainscanada.gc.ca/newsroom/news_releases/2004/2004-03-11-e.htm	• The Industry Services Division of the CGC is ISO 9001:2000 certified. An internal audit was conducted in October 2006. • Completed external audits in Headquarters and regions for re-certification in September 2006. • A total of 319 inspection, weighing, or management related improvement requests were submitted by staff as a result of audits or general interest in the procedures.
Providing an unbiased process for appeal of official inspections to	• Received 23,052 requests appealing the official inspection of grain on approximately 285,000 official inspections. At the regional level, 17,005 samples were reviewed. Of these, 5,344 grades were changed

2006-2007 Related Activities	2006-2007 Results
producer car users, and primary, transfer, and terminal elevator operators who disagree with the grades assigned by CGC inspectors. There are three levels of appeal: The regional inspector, the Chief Grain Inspector, and the Grain Appeal Tribunal. http://grainscanada.gc.ca/regulatory/grainappeal/tribunal-e.htm	and 11,661 grades were upheld. The Chief Grain Inspector reviewed 4,495 samples – 1,458 grades were changed while 3,037 grades were upheld. The Grain Appeal Tribunal reviewed a total of 1,552 samples - 193 grades were changed while 1,359 grades were upheld. • The Chief Grain Inspector has final authority related to the re-inspection of grades representing unofficial samples. In 2006-2007, 22,701 samples were submitted to the CGC by producers or the grain industry for grade advice. Of these, 68 samples were requested to be re-inspected of which 36 grades were changed.
Administering a national grain sanitation program to ensure that grain in the domestic licensed elevator system and grain destined for export is infestation free	• Under the terms of a letter of agreement with the Canadian Food Inspection Agency (CFIA), the CGC conducted a total of 258 elevator inspections across Canada, inspected 16 vessels in the Port of Churchill, and provided information on 2,073 submitted samples that allowed for phytosanitary certificates to be issued by CFIA. • Witnessed fumigation of 6 vessels in the eastern region. • Monitored 141,307 grain samples for infestation in the regional labs across Canada. This total included samples resulting from: elevator inspections on behalf of CFIA, railcar unloads into terminal and transfer elevators, export cargoes, primary elevator shipments where the CGC provided onsite inspection, and those submitted by grain companies or producers.
Inspect and grade grain utilizing regularly updated and approved standards prior to receipt at licensed terminal elevators and prior to export from primary, transfer, or terminal elevators to enhance marketing in the interests of producers and industry	• Inspected 265,816 railcars upon receipt at licensed terminal and transfer elevators. • Inspected 18,528 railcars loaded from primary elevators prior to receipt at licensed terminal and transfer elevators. • Inspected 25,840,909 tonnes of grain for export from terminal and transfer elevators. • Standards and guides provide a visual reference tool to assist CGC and industry inspectors. Sixty complete sets (1,140 total samples) of standards and guides were distributed to CGC staff. • Distributed 510 sets to grain companies. • Increased sample material was collected for development of the standards and guides which allowed the CGC to provide the requested number of sets.
Provision of certificates and documentation related to the inspection of grain exports	• Provided 728 Certificate Finals, 3,082 Letters of Assurance, 9,427 Letters of Analysis, 747 official Probe Certificates, and certified 2,593 samples submitted for grading by producers and 20,108 by grain companies.

2006-2007 Related Activities	2006-2007 Results
Manage and update data in the grain inventory accounting system (GIAS) http://www.grainscanada.gc.ca/prodser/gias/gias-e.htm	• Continued to manage GIAS to ensure the accuracy of terminal and transfer elevator transactions. GIAS provides an electronic method of transferring accounting information related to grain stocks between the CGC, the Canadian Wheat Board, and all grain handling terminals. It also generates the data necessary for compiling and analyzing grain handling information for weigh-over applications.
Manage a complaint resolution process for quality of grain cargoes and conduct unload investigations upon shipper and producer request	• Certified the quality of 728 cargoes and investigated complaints from buyers regarding 15 of these cargoes. Upon thorough investigation of the loading process, including analysis of cargo samples and vessel loading documentation, the CGC's Chief Grain Inspector concluded the complaints were unsubstantiated. • Managed the complaint resolution process for the quality of grain cargoes and conduct unload investigations upon shipper and producer request to ensure customer satisfaction with Canadian grain.
Monitor the grading system and verification processes	• The CGC, under its National Quality Monitoring program, conducted compliance audits to monitor the application of quality assessment procedures and instructions. This program enabled the CGC to monitor quality assurance consistency between inspectors in a region and between regions to continually maintain and improve grading consistency. • The IS monitoring unit re-analyzed 8,042 samples and provided feedback to staff training units and individual inspectors as required. This total included 3,604 samples representative of official railcar unloads, 1,569 incremental samples taken during vessel cargo loading, 795 samples representative of grain transferred to bins during official grain stock weigh-overs, 1,041 samples submitted by producers and grain companies, and 1,033 samples representing export by railcar to Mexico and the U.S.
Effectively communicated relevant information on grain quality assurance issues (e.g., issued official memoranda to trade), offered technical training, and transferred technology in the form of validated methods to producers and industry to support and improve the efficiency of grain grading, handling, segregation, and IP systems.	• Issued 6 Memoranda to the Trade and numerous press releases including: notification of changes to the Official Grain Grading Guide (OGGG), excreta detection in grain, condominium storage, variety designation lists, shipments to Mexico, KVD, grain on the ground, moisture testing for corn, notification of new forms on CGC website, severely sprouted tolerances, and elevator licensing. • Met with various groups to discuss the potential implementation of new technology such as Acurum, NIR for chlorophyll, and RVA. • Advised the industry of our decision to convert our official use of moisture machines to model 1200A from model 919/3.5. • CGC training staff performed industry training in most regions, ranging from specific grading factors to complete grading training on specific commodities. Not all requests could be accommodated, as training for CGC staff took precedence. • The Bayport region performed 10 technical sessions for individual clients; the Thunder Bay region provided 2 technical sessions for individual clients; and the Prairie region provided 1 training course for producers and company representatives through the Saskatchewan Institute of Applied Science and Technology.

2006-2007 Related Activities	2006-2007 Results
	• CGC Head Office delivered 71 tours and offered a number of ad-hoc training sessions for industry with a specific grading factor focus. In addition, training was offered to many Canadian International Grains Institute (CIGI) groups and overseas clients. • IS inspectors travelled overseas on 7 occasions to either investigate, train, or convey the quality of Canadian grain to customers.

In January 2006, the CGC contracted with Meyers Norris Penny LLP to conduct an objective economic study to quantify the benefits and costs of mandatory inward inspection and weighing to producers and industry, and to assess what effects might result from changing or eliminating these services. The consultant solicited input from a representative cross-section of producer and industry stakeholders and provided a final report to the CGC in June 2006. The report from this independent study does not make recommendations concerning CGC mandatory inward inspection and weighing, but rather clarifies the direct impacts of the services, summarizes input from key stakeholders, and provides a broad assessment of potential alternative models. While the report indicates that there are viable alternative models that could meet the expressed needs of stakeholders, substantive changes to these services would require amendments to the CGA. This study provided relevant information that will facilitate future discussions and decisions.

2. Provide scientific and technical support

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$4 927	$4 980	$4 345

Canada's GQAS is supported by a strong scientific and technical base including testing of grains, processing into various end-use products, and assessing cooking quality.

The CGC has been testing grain for toxic substances since 1966 to monitor grain entering the licensed elevator system and to provide grain safety assurances to help marketers meet international buyer requirements. The CGC is the only government agency that provides grain safety assurances on pesticides, trace elements, mycotoxins, and fungi. Buyers of Canadian grain increasingly demand more rigorous, timely testing for chemical residues and trace elements on cargoes. For example, Japan has introduced a Food Sanitation Law that lists agricultural chemicals and their maximum toxic or harmful levels for all grains. Europe has established the European Food Safety Authority to regulate food safety in Europe and members of the European Union have embraced labelling and traceability of crops and food. These demands have increased the importance of research aimed at developing new or adapting existing analytical methods. http://grainscanada.gc.ca/Grl/grain_safety/grain_safety-e.htm

The expected result of providing technical and scientific support is to increase and/or maintain current marketability levels for Canadian grains. In addition, provision of this type of information and support will enhance the optimal management of the GQAS and afford increased opportunities for various end-uses of Canadian grain (e.g., animal feed, ethanol,

malting). Based on these expected results, this key program supports departmental Priorities #1 and #2.

To measure its success in delivering this program and achieving the expected results, the CGC used the following tools:

- Tracking buyers' satisfaction with the consistency of Canadian grain through regular feedback garnered by CGC scientists and technical experts from overseas or domestic buyers and processors
- A monitoring and verification process for the inspection of grain (cargo quality monitoring program)

The following ongoing activities and related programs are integral components of providing scientific and technical support for the GQAS. Achievements during the 2006-2007 reporting period are provided to illustrate the CGC's success in meeting the expected results of this key program:

2006-2007 Related Activities	2006-2007 Results
Ongoing monitoring of domestic and export cargoes to ensure Canadian grain is meeting tolerances in terms of domestic and international grain safety tolerances and end-use quality (e.g., toxic residues, bacterial contamination, weed seeds, insects, malting quality for specific barley varieties)	• Completed quality monitoring of wheat cargoes for monthly composites of CWRS and CWAD shipments. • Completed testing of wheat exports shipped from February 2006 through July 2006. The bulletin "The Quality of Western Canadian Wheat Exports 2006" is available on the CGC web-site. http://grainscanada.gc.ca/quality/wheat/exports/2006/exports06-e.pdf • Evaluated the quality of all cargoes of malting barley out of the west coast. • Continued monitoring vessel loading samples of canola, flax, mustard, solin and soybeans (http://grainscanada.gc.ca/Quality/exports-e.htm). Oil, protein, free fatty acids and fatty acid composition were monitored on all oilseed export samples. Canola exports were also monitored for chlorophyll content and glucosinolates. • Continued monitoring vessel loading samples of randomly selected cargo shipments of cereal grain, oilseeds and pulse crops for the presence of pesticide residue, mycotoxin, trace elements and bacteria. • Continued to provide an analytical service for CGC and grain industry inspectors for testing samples of grain suspected to be contaminated with a toxic substance and provided advice and assistance on disposal. • Twelve railcars and 2 grain parcels identified by grain industry inspectors were marked for suspect treated seed. Of these samples, 3 railcars and 2 submitted samples tested positive for seed treatment. All carlots were released as the concentration of treatment was determined to be below Health Canada's (HC) maximum residue limit (MRL). No samples submitted by the trade showed concentrations of treated seed above the HC MRL. Bacterial infection, fungal infection and marker dye accounted for the stained kernels in the other samples. • Developed a protocol for a polymerase chain reaction (PCR) based method to detect the presence of 4 bacterial pathogens in grain. Tested 184 cargoes for these pathogens as well as their overall biological load. • Tested 64 isolates of *Fusarium graminearum* for their toxigenic

2006-2007 Related Activities	2006-2007 Results
	abilities in culture. • Tested 36 isolates of Penicillium for their ability to produce patulin and citrinin in culture. • Monitored foreign material in field peas and provided this information to the Saskatchewan and Alberta Pulse Grower Associations to meet their end-use quality requirements. • Monitored weed seed content and provided this information to CFIA when requested.
Annual Harvest Survey - Assess new crop quality specific to each grain type and relevant to the marketing of each crop to provide new and ongoing geographical and quality data http://grainscanada.gc.ca/Quality/harvsur/hs-e.htm	• Provided planning, producer contact, sample handling, sorting and general analytical services to support the new crop quality survey. • Completed and made available in hard copy the annual harvest survey quality results for cereal grains in a timely fashion. • Published bulletins on the Quality of Western Canadian Wheat 2006, the Quality of Western Canadian Malting Barley 2006, and the Quality of Ontario Wheat 2006. http://grainscanada.gc.ca/quality/crop_qual-e.htm • Completed harvest surveys for canola, flax, solin, soybean and mustard seed and provided important information to the trade and customers. http://grainscanada.gc.ca/quality/crop_qual-e.htm • Completed harvest surveys for peas, lentils, chickpeas and white pea beans in a timely fashion. • Published the Pulse Quality Bulletin on the CGC web-site. http://grainscanada.gc.ca/Quality/pulses/pulses-e.htm • Performed an analysis of canola/mustard types by visual assessment. http://grainscanada.gc.ca/quality/Canola/canolamenu-e.htm • Collected several thousand isolates of *Fusarium graminearum* from eight provinces to determine the chemotype proportions and their toxigenic abilities. Updated the CGC web-site on Fusarium.
Evaluate technology to measure end-use quality to improve the utilization and increase the marketability of Canadian grain	• Completed the second year of a three year cooperative project led by CIGI, with Alberta Agriculture, AAFC, and the CGC to develop a commercial NIR calibration to measure metabolisable energy and other nutritional factors prior to incorporation of grains into animal feed. • Undertook objective measurement of barley kernel colour and size to predict end-use malt quality. • Collaborated with European Brewing Congress in developing standard methods for analysis of lipoxygenase activity and arabinoxylans in barley and malt. • Evaluated RVA technology in port laboratories to objectively assess sprout damage in an operational environment. Undertook a project to compare testing results derived at industry elevators with those determined at CGC sites. • Completed a research project with an international equipment manufacturer investigating the ability of image analysis to quantify the degree of frost, green, and immature wheat kernels. • Evaluated using NIR technology to measure chlorophyll in canola. • Worked to develop a reliable, robust reproducible method to analyze cyanogenic glycosides in flaxseeds in response to industry comments about Korea, Japan, and the European Community having tolerance

2006-2007 Related Activities	2006-2007 Results
	levels for cyanogenic glycosides in flaxseed. However, there was not a reliable and accurate method to measure them. • Evaluated imaging methods for hard vitreous kernel (HVK) determination in durum wheat.
Provide technical advice, information, and complaint resolution on grain quality (including annual impact of disease and weather damage), grain safety, and end-uses to buyers, marketers, industry and producers	• Continued to certify export shipments of canola (oil, protein, chlorophyll, erucic acid, oleic acid, linolenic acid, iodine value, free fatty acids, glucosinolates), flaxseed (oil, protein, and iodine value), soybeans (oil and protein), solin (oil, protein, and fatty acid composition) and mustard seed (oil, protein and total glucosinolates). • Provided information on the quality of new crop year wheat and barley to Japanese, South Korean, and other East Asia grain industry members as part of the annual CGC visit with international customers. • Continued to participate in the Canada–Japan Canola Consults in Japan with technical discussions and crop quality reports. • Generated many reports and letters upon request outlining weed seed profiles of various crops by type and grade. • Conducted preliminary investigation of the impact of ruptured wheat kernels and their levels on the quality of end products. • Performed detailed studies on the influence of HVK levels on the quality of wheat end products. Forwarded results to the WSC for decision in anticipation of dropping this grading factor. • Provided quality information for Canadian durum wheat varieties as compared to the quality of commercially grown competitor durum wheat varieties at the request of the CWB. • Provided technical advice to the Canola industry on measure of oil content by rapid method during an industry meeting organised by the Canola Council of Canada. • Completed the first year of a three year collaborative study with AAFC to determine effects of agronomic practice on end-use malting barley quality. • Completed a project and provided a report to members of the ESC examining potential changes in the assessment of mildew standards in soft red winter wheat.
Liaise with both international and other Canadian agencies on trade implications, to meet international standards and legislation on grain safety (e.g., Japanese Food Sanitation Law and EU tolerances for pesticides)	• Continued to liaise with AAFC's Market and Industry Services Branch on matters relating to developments in the European Union (EU) with respect to maximum limits for toxic substances in grains and inspection and testing protocols to ensure continued access for Canadian grain into EU markets. • Continued to liaise with the CWB on matters related to the new Japanese Food Sanitation legislation. • Continued to liaise with the Canola Council of Canada on matters related to oil content in canola. • Continued to work with International Trade Canada towards a resolution of the highly restrictive inspection and testing protocols imposed by the Government of Greece for wheat imports from non-EU countries. • Have undertaken several activities, including the completion of an in-depth questionnaire, towards achieving EU pre-export certification status.

2006-2007 Related Activities	2006-2007 Results
	• Shared results of the CGC APF ochratoxin A baseline study with the CWB to determine a strategy for dealing with the challenges associated with the presence of this mycotoxin in Canadian grain exports. • Continued to monitor standards being developed by CODEX for pesticide residues, mycotoxins, and heavy metals in grain to determine potential implications for international grain trading.

3. Modify the system to meet changing requirements

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$4 627	$4 677	$4 009

Addressing the challenges facing Canada's GQAS and modifying the system to meet changing domestic and international requirements is vital in making significant progress towards the realization of this program activity, but also contributes to the success of all of the CGC's strategic outcomes.

The overall expected result of modifying the system to meet changing requirements is to improve technology and objective methods for determining quality in order to facilitate grain movement and enhance the marketability of Canadian grains. Given these expected results, this key program supports departmental Priority #2.

To measure its success in delivering this program and achieving the expected results, the CGC used the following tools:

- Feedback from the annual meetings of the Eastern and Western Standards Committees with producers and the industry
- Ongoing monitoring and analysis of customer feedback received through the CGC's 1-800 line and directly from users of CGC services
- Tracking buyer satisfaction with the consistency of Canadian grain through regular feedback garnered by CGC scientists and technical experts from overseas or from domestic buyers and processors

The following ongoing activities and initiatives are integral to the modification of Canada's GQAS to meet changing requirements and address pressures on the visual based grading system. Achievements during the 2006-2007 reporting period are provided to illustrate the CGC's success in meeting the expected results of this key program:

2006-2007 Related Activities	2006-2007 Results
Wheat Quality Assurance Strategy Element #1: Increase monitoring of railcar and vessel shipments for nonregistered wheat varieties	• Monitored a total of 725 export vessel cargoes of CWRS wheat for visually indistinguishable nonregistered varieties and other classes. • Tested a total of 3,149 CWRS daily port averages and other railcar samples for the nonregistered variety Alsen through the monitoring program set up to determine the presence of this wheat variety in grain prior to shipment from Canada. • Supported CGC certification processes and ultimately maintained end-use processing quality and customer perceptions of Canadian grain.
Wheat Quality Assurance Strategy Element #2: Develop effective, timely, affordable variety identification technology	• Continued development of quantitative DNA-based methods for analysis of variety composition of ground samples of grain. Developed several real-time PCR assays for wheat.
Wheat Quality Assurance Strategy Element #3: Further consultations and analysis of feedback garnered through the proposal to restructure the western wheat classes	• In June 2006 the CGC announced its intent to eliminate KVD requirements for the six minor wheat classes and introduce a new Canada Western General Purpose (CWGP) wheat class effective August 1, 2008. Major elements of the plan include: ○ No change to KVD requirements for CWRS or CWAD ○ Elimination of KVD requirements for the minor wheat classes - Canada Western Red Winter (CWRW), Canada Prairie Spring Red (CPSR), Canada Western Soft White Spring (CWSWS), Canada Prairie Spring White (CPSW), Canada Western Extra Strong (CWES), Canada Western Hard White Spring (CWHWS) ○ Creation of CWGP, a new wheat class with disease resistance and agronomic criteria and limited quality requirements ○ Varieties in CWGP and the minor classes can visually resemble each other, but are not permitted to visually resemble CWRS or CWAD. • Worked in close collaboration with industry stakeholders to identify the relevant processes and regulations that require development or change in order to meet the August 2008 deadline.
Develop rapid methods and systems that can assist in the identification of varieties of different quality types	• Performed analyses on variety specific shipments whose identity required preservation as part of contractual industry agreements. • Completed development and validation of a quantitative, DNA-based method to estimate variety composition of a ground sample of two-row barley. • Nearing completion on a project to develop and/or validate qualitative and quantitative PCR methods for detection and quantification of GM canola events.
Ineligible Varieties Working Group (IVWG)	• Continued participation in the IVWG to develop protocols for sampling, testing, and process verification standards in order to address ineligible varieties in grain shipments and ultimately the issuance of incorrect certification.
Operate the Canadian Identity Preserved Recognition System (CIPRS)	• Continued working with industry to expand the number of certified companies. http://www.grainscanada.gc.ca/pubs/brochures/ip_recognition/ip_recognition04-e.htm • Twenty-one companies have CIPRS certified IP programs, and 3 more are currently in the certification process. • Developed CIPRS+, which incorporates HACCP-based requirements, in response to increased buyer demand for food safety assurances.

2006-2007 Related Activities	2006-2007 Results
Contract Registration Technical Committee	• Led an industry group to develop a model for handling contract registered varieties. • Continued to develop a risk assessment framework to assign non-conforming wheat varieties proposed for contract registration into different risk categories. • Completed the design of, and assisted in the implementation of a quality management system standard for closed-loop identity preserved programs to ensure the segregation of wheat lines with diverse risk. • Continued efforts to establish monitoring requirements and costs according to risk categories. • Utilized the risk assessment framework to oversee and evaluate a pilot project designed to study the performance of a closed-loop contract registration system for wheat (BW295 – which is now registered as 5400IP).
Third-Party Accreditation	• Continued to develop protocols for accrediting or designating third party agencies, with CGC oversight, to perform sampling and testing in order to address inconsistencies with respect to container, rail, and bulk handling shipments to enhance the marketability and handling of Canadian grain.

Strategic Outcome 2: A grain quantity assurance system that addresses the changing needs of the grain industry.

Program Activity: *Deliver weighing services*

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$15 996	$16 371	$12 316

Human Resources:

Planned	Authorities	Actual
148	148	116

The Canadian grain quantity assurance system assures the weight of grain loaded into or discharged from conveyances and in storage in the licensed terminal and transfer elevator system. This benefits both producers and the grain industry. Daily provision of grain weighing services is supported by a strong technical base and forms a major part of the CGC's quantity assurance system as well as supports the quality assurance system.

The challenges for the grain quantity assurance system include increased requirements for quantity information to manage grain stocks and keeping up-to-date with increasingly sophisticated weighing and transfer technology in grain elevators.

This program activity directly supports departmental Priority #1. Delivery of weighing services and programs is an integral component of the ongoing provision of the CGC mandate. In addition, the ongoing review and development of weighing programs, procedures, and equipment contributes to enhancing the Canadian GQAS and departmental Priority #2. Addressing Priority #4 is critical in order for the CGC to fulfill its statutory mandate and maintain weighing service levels to the grain industry.

The overall expected result of this program activity is to implement an improved strategy to monitor client satisfaction with the CGC weighing and dispute resolution programs. The following related key programs and services provide details on how the CGC was successful during the 2006-2007 reporting period in meeting the expected outcomes and priorities associated with delivering weighing services.

Key Program or Service

1. Deliver weighing services for the quantity assurance system

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$15 007	$15 359	$11 255

The CGC delivers weighing services to meet the legislative mandate of the CGA and the requirements of the grain industry from producers to customers. Essential weighing procedures are defined within the CGC's Quality Management System (QMS) Procedure Manual, or outlined in a QMS Work Instruction Format, and are accessed by weigh staff to ensure consistent application of procedures. CGC weighing policies and procedures are monitored and evaluated through a series of reporting policies and national discussion and review forums. Regular review of quantity assurance processes allows the CGC to adjust service procedures as necessary through Improvement Requests (IR), and also allows the CGC to identify or adjust training requirements.

The expected result of delivering weighing services for the quantity assurance system is to maintain and increase the accuracy in reporting of official weights in grain transactions in order to enhance customer satisfaction and the marketability of Canadian grain. Given this expected result, this key program supports departmental Priorities #1 and #2.

To measure its success in delivering this key program and achieving the expected results, the CGC used the following tools:

- Consistently monitoring the use, by all interested parties, of CGC-generated data such as track lists and railcar exception reports, certified weighing systems reports, and official weight statements
- On-site monitoring of railcar unloads and provision of critical unload data to interested parties
- Monitoring producer and industry usage of, and satisfaction with, the dispute resolution system (DRS)

- Tracking the number of weigh-overs performed within mandated timeframes and resolution of any discrepancies between physical stocks and officially registered grain stocks
- Tracking the use of the Grain Inventory Accounting System (GIAS) and the number of adjustments to grain inventories

The following ongoing activities and programs are integral components of delivering weighing services to meet the legislative mandate of the CGA and the needs of the grain industry from producers to customers. Achievements during the 2006-2007 reporting period are provided to illustrate the CGC's success in meeting the expected results of this key program:

2006-2007 Related Activities	2006-2007 Results
Deliver weighing services to maintain an effective Quality Management System as per ISO 9001:2000 Standards http://grainscanada.gc.ca/newsroom/news_releases/2004/2004-03-11-e.htm	• Maintained and enhanced the effective and consistent delivery of weighing services and programs through QMS corrective measures on an ongoing basis. • A total of 55 formal Improvement Requests (IR) were submitted associated with the relative procedures in the IS Quality Management System.
Establish and maintain grain quantity assurance standards	• Reviewed CGC quantity assurance standards during senior weighing meetings and conference calls and supported these through the QMS and the National Weighing Training programs.
Developing monitoring systems for both weighing and grain flow verification processes	• The system monitoring protocols within CGC weighing operations and dispute resolution units contributed to the identification of 37 instances where weighing processes were addressed. • Continued the ongoing internal process of reviewing CGC processes used to monitor the effectiveness of facilities in preserving the identity of parcels of grain. This review and subsequent action plans are inherent in the CGC QMS and contribute to industry's efforts in shipping identity preserved grain. • The dispute resolution unit tracked 819 partially unloaded railcars through to completion (At times mechanical difficulties with railcars require correction before the complete car can be unloaded). The weighing unit tracked the separate unload portions and combined them to account for the completed weight of a railcar.
Weigh grain prior to receipt at licensed terminal elevators and prior to export from terminal or transfer elevators	• Officially weighed and certified 285,240 railcar unloads upon receipt at licensed terminal and transfer elevators. • Monitored and certified 31,420,172 tonnes of grain prior to export from terminal and transfer elevators.
Weigh grain prior to shipment from licensed primary elevator	• Officially weighed 3,053 railcars destined for Mexico at primary elevators. • Officially weighed 2,917 railcars destined for the U.S. at primary elevators.

2006-2007 Related Activities	2006-2007 Results
Collect, interpret and distribute railcar data and information, and generate reliable grain quantity data for use by the industry	• The CGC's grain receival and outward weighing programs provided essential quantity data used by the grain industry, railways, Canada Ports Clearance, and the CGC in managing grain inventories and for statistical publications.
Management of GIAS to provide accurate information of terminal and transfer grain inventory data http://grainscanada.gc.ca/prodser/gias/gias-e.htm	• Verified the accuracy of terminal and transfer elevator transactions by balancing monthly and annual stocks in store with licensees. • Continued to provide overall stock positions to terminal and transfer licensees to support inventory control for the efficient marketing of Canadian grain. • Processed over 8,504 requests to officially change information on an unloaded car.
Manage a complaint resolution process for quantity of export grain cargoes to maintain ongoing customer satisfaction	• Logged and investigated 11 weight-related export cargo complaints at the customer's request. Upon thorough review and analysis of the information documented at the time of loading, the CGC's Chief of Weighing concluded that the original statement of quantity for all the shipments was correct. • Provided essential information regarding the condition of railcars involved in weight related concerns with grain shipments to the U.S. and Mexico. This information was used to conclude investigations of export grain shipments by rail.
Manage a Dispute Resolution System (DRS) to assist grain producers and the grain industry in recovering for grain lost during transport by railcar or during the discharge process	• Conducted 880 weight-related investigations on railcars. • 825 railcars had weights officially apportioned due to the mixing of grain from two or more railcars in a common grain reception area as the cars were unloaded. • Due to incidents around unrecovered spills, 68 cars required their origin weight to be verified and assigned as the official unload weight. • Completed 4,487 exception reports for railcars that arrived at unloading facilities with low or empty compartments.
Conduct official weigh-overs of all stocks in store at licensed terminal and transfer elevators at prescribed intervals	• Conducted 7 official weigh-overs. The results were deemed acceptable based on the permissible tolerances identified in the *Canada Grain Regulations* (CGR).

2. Provide technical support of the quantity assurance system.

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$989	$1 012	$1 061

In order to maintain relevancy and to address constantly changing industry demands, the CGC provides ongoing technical support for the quantity assurance system.

The expected result of this key program is to assist clients in accurate reporting of quantity information, through technological advancements, in order to maintain and increase the marketability of Canadian grain. Providing technical support of the quantity assurance system supports departmental Priority #1 and contributes to Priority #2.

To measure its success in delivering this key program and achieving the expected results, the CGC used the following tools:

- Tracking the use of the GIAS and the number of adjustments to grain inventories
- Tracking scale complaints attributed to CGC approved weighing systems and industry adherence to CGC proposed weighing system improvements
- Consistently monitoring the use, by all interested parties, of CGC-generated data such as track lists and railcar exception reports, certified weighing systems reports, and official weight statements

The following ongoing activities and programs are necessary components of providing technical support of the quantity assurance system. Achievements during the 2006-2007 reporting period are provided to illustrate the CGC's success in meeting the expected results of this key program:

2006-2007 Related Activities	2006-2007 Results
Monitor the weighing system inspection program and grain accounting services to maintain an effective Quality Management System as per ISO 9001:2000 Standards http://grainscanada.gc.ca/newsroom/news_releases/2004/2004-03-11-e.htm	• Continued to monitor and enhance the effective delivery of scale inspection and grain accounting services following the QMS re-certification of Industry Services functions in December 2003. • Submitted, through the October 2006 external and internal maintenance audits, IRs relating to the QMS weighing systems inspection and the Registration and Cancellation procedures.
Maintain a regular weighing systems inspection program to verify the accuracy and reliability of terminal and transfer elevator weighing equipment	• CGC Weighing Systems Inspectors conducted 566 weighing system device inspections and in 217 instances, the device under inspection required an adjustment or servicing. Of the 217 inspections, 98 (45.2%) were found to be operating with measurement errors of 0.10% or greater.
Generate, collect and distribute grain quantity data and information to meet specific industry and buyer needs http://grainscanada.gc.ca/Information/stats-e.htm	• Provided official weighing data (generated by CGC-monitored weighing devices and systems) that assisted the grain industry in efficiently marketing Canadian grain and in making informed decisions on inventories and logistics. • Provided elevator operators with data such as unload and shipment GIAS/MRS records and weigh-over records that contributed to the effectiveness of grain handling facilities and the Canadian grain handling system.

2006-2007 Related Activities	2006-2007 Results
Provide technical advice to meet specific industry and buyer needs	• Provided timely weighing system inspection data for all inward (880) and 11 outward quantity investigations to determine possible impacts of weighing system accuracy on shipment quantity. • Shared technical information with licensees as required.

Strategic Outcome 3: Research and development on grain quality that enhances the marketability of Canadian grain.

Program Activity: ***Conduct research to understand and measure grain quality***

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$9 171	$9 355	$9 582

Human Resources:

Planned	Authorities	Actual
85	85	90

The CGA requires the CGC to undertake, sponsor and promote research related to grains. The CGC conducts research directly related to supporting the GQAS that permits the effective marketing of Canadian grain in the interests of producers. The GRL researches new methods for quality, new measurement factors to determine quality, end-use applications of Canadian grain, quality of new breeders' varieties, and carries out the annual Harvest Survey. The GRL, through its research, supports the continual improvement of the GQAS.

There are major challenges confronting the CGC's research activities and the GQAS due to the changing needs of the Canadian grain industry. There continues to be a shift in the type of crops grown and their end-uses, increased demand for variety identification by objective non-visual methods, and concerns with GM crops. Research focus has shifted to address these issues in pulses, new types of oilseeds, variety identification, and GM crops. Research related to traditional crops, such as wheat, barley, canola and flax, is still essential, as these crops make up a significant percentage of the domestic and export markets. There is increasing emphasis on end-use functionality, especially new end-uses in the domestic industry. Grain is increasingly being sold based on specifications requiring objective non-visual testing of quality or safety factors and the provision of grain quality and safety assurances.

This program activity directly supports departmental Priority #1 as undertaking, sponsoring and promoting grain related research upholds the mandate of the CGC and facilitates effective marketing of Canadian grain. In addition, ongoing research of new methods and measurement factors to determine quality, end-use applications of Canadian grain, and quality of new

breeders' varieties supports improvement of the Canadian GQAS and departmental Priority #2. Addressing departmental Priority #4 is also critical in order for the CGC to fulfill its statutory mandate and continue ongoing research focused on understanding and measuring grain quality.

The expected results of this program activity are: adaptation of new objective methods for quality assessment and grain safety assurance; adoption and publication of new methods by current standard setting organizations; and provision of accurate quality assessment tools for new breeder lines. The following related key programs and services provide details on how the CGC was successful during the 2006-2007 reporting period in meeting the expected outcomes and priorities associated with conducting research to understand and measure grain quality.

Key Program or Service

1. Research methods to measure grain quality

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$4 127	$4 210	$4 312

Non-visual methods for the assessment of grain quality are required in order to maximize the return on investment to each segment of the Canadian grain handling system. New internationally accepted methods are necessary to capture and maintain the inherent value through all phases of the marketing system from producer to end-user.

The expected result of this key program is the development of internationally recognized methods for quality evaluation of all grains and oilseeds in collaboration with other national and international laboratories. Based on this expected result, researching methods to measure grain quality supports departmental Priority #2.

To measure its success in developing research methods that support the GQAS, the CGC monitored:

- The number of objective testing methods adapted into the CGC's grading and inspection system
- Industry integration of objective testing methods into segmentation and/or marketing systems
- The quality and number of peer reviewed research papers published
- Grain industry response (domestic and international) to the research, scientific and technical support provided by the CGC
- Customer satisfaction with end-use quality by way of client feedback during foreign missions or by client visits
- End-user response to the quality assessment of new varieties and harvest survey information
- Technology transfer to private sector users, other government agencies, universities and international organizations

The following ongoing activities are integral components of researching methods to measure grain quality. Achievements during the 2006-2007 reporting period are provided to illustrate the CGC's success in meeting the expected results of this key program:

2006-2007 Related Activities	2006-2007 Results
Develop new and improved methods for evaluating and measuring end-use quality factors for all grains (e.g. Near Infra Red (NIR), digital imaging, rapid viscosity analysis (RVA), and pulse cooking quality) to meet international and domestic marketing requirements http://www.grainscanada.gc.ca/quality/tests/tests-e.htm	• Validated an objective imaging method developed in collaboration with the research centre in Sicily, Italy for determining spaghetti colour and speckiness. • Continued to validate an objective imaging method for measuring lentil seed curvature and surface wrinkles to characterize seed morphology. • Developed a method for measuring firmness of cooked pea, pea bean and chickpeas. • Compared objective methods for determining barley kernel size and colour with end-use malt quality. http://grainscanada.gc.ca/pubs/research/edney_m/predict_quality/abstract-e.htm • Developed preliminary calibrations using NIR to predict starch content and seed weight of peas and lentils.
Provide third party unbiased evaluation of quality characteristics of breeders' new varieties as part of the registration process	• Analyzed 150 samples from the 2006 wheat breeder lines for quality. • Malted and analysed the quality of 160 samples of barley plant breeder lines as part of the variety registration process. • Tested the 2006 crop year canola public co-op samples for oil, protein, glucosinolates, chlorophyll and complete fatty acid composition.
Research the suitability of Canadian grain varieties for various domestic and international end-uses to increase the marketability of Canadian grain in the interests of producers	• Evaluated plant breeder lines to determine those that function the most effectively in various food products. • Initiated research on evaluating food grade soybean quality. • Investigated the influence of environment and genotypes on quality factors relevant to international markets. • Evaluated harvest survey variety composite samples of flaxseed, canola, and mustard crops for the Flax Growers Workshop, Canola Industry Meeting, and the Mustard Association. • Developed optimized hull-less barley roller milling procedure to maximize the yield and the concentration of fibre and verified its potential as a functional food ingredient in wheat-based products. • In collaboration with Pulse Canada, initiated a project to study the effect of variety, cooking, and splitting on nutrients and anti-nutrients in Canadian peas and lentils.

2006-2007 Related Activities	2006-2007 Results
Develop internationally accepted methods for evaluation of grains, oilseeds and pulse quality.	• Developed a method for determining water absorption of pulses that was accepted by AACC International (previously known as the American Association of Cereal Chemists). • Active member of ISO TC34SC 2 (Oleaginous seeds and fruits) and ISO TC34SC11 (Animal and vegetable fats and oils) sub-committees, and Chair of the AOCS Seed and Meal Sub-committees. The Oilseeds research program is organizing several round-robin studies for ISO and AOCS (American Oil Chemists' Society) standard methods. • Developed a method for determining moisture content in pulses that was accepted by ISO. The method is at Draft International Standard (DIS) stage. • Further developed NoodleScan ©, an imaging system developed for measuring noodle speckiness and colour for a ring test evaluation. • Collaborated with the University of Manitoba on an NSERC (Natural Sciences and Engineering Research Council) project focused on the effect of environmental factors on the end-quality of CWRS, CWAD, CWHWS, and CPSW.
Expand research on computer-assisted image enhancement and measurement to assess grain quality and develop rapid accurate tests to measure visual quality factors.	• Acquired a hyper-spectral camera system that enabled spectral imaging from 400 nm to 1000 nm. • Developed a preliminary automated detection system for mildew damage in wheat and green seed in barley.
Assess the use of objective tests to increase efficiency, reduce costs and enhance the testing capabilities of the CGC.	• Developed an enzyme assay to improve the testing efficiency and increase productivity for the measurement of peroxidase activity. • Developed an enzyme assay which significantly reduces the time required to assess polyphenol oxidase enzyme activity for plant breeder screening.

2. Research new quality factors

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$4 127	$4 210	$4 312

In order to remain competitive in the international marketplace, it is imperative that future grain quality attributes be anticipated and captured. As such, research that supports emerging issues in the GQAS is crucial to all segments of the Canadian grain industry.

The expected result of this key program is to develop new methodologies for identifying variety compositions and to enable variety specific marketing in order to meet changing producer, industry, and customer demands for specific end-use quality. Based on this expected result and the contributing programs and initiatives, researching new quality factors supports departmental Priority #2.

To measure its success in researching emerging quality factors to support the grain quality assurance system, the CGC tracked:

- The application of newly developed objective measures of quality into the CGC's grading and inspection system
- Industry integration of objective testing methods into segmentation and/or marketing systems
- Technology transfer to private sector users, other government agencies, universities and international organizations
- Grain industry response (domestic and international) to the research, scientific and technical support provided by the CGC
- The quality and number of peer reviewed research papers published

The following ongoing activities are integral components of conducting research that supports emerging issues in the GQAS. Achievements during the 2006-2007 reporting period are provided to illustrate the CGC's success in meeting the expected results of this key program:

2006-2007 Related Activities	2006-2007 Results
Continue collaborative and jointly funded research efforts (nationally and internationally) to develop measures for assessing grain quality	• Collaborated with AAFC and the University of Saskatchewan Crop Development Centre to identify quantitative trait loci for quality traits in durum wheat. • Continued the development of improved and standardized durum wheat spaghetti quality testing procedures as part of a collaborative research study with the Tamworth Centre for Crop Improvement (Australia). • Continued collaboration on lentil characterization and spaghetti measurement with scientists at Granicoltura Caltagirone (Italy). • Developed a proficiency testing program for analytical parameters used by flax breeders in Canada and the U.S. • Developed and managed a proficiency testing program for the analytical parameters required for canola variety recommendation through the Canola Council of Canada.
Research of relevant factors and development of methods to provide grain safety assurances on new quality factors for domestic and international markets	• Developed and implemented a sensitive DNA-based protocol for detecting and identifying selected bacterial pathogens in grain exports. • Identified changes in the *Fusarium graminearum* population in Canada highlighted by the rapid displacement of less toxigenic chemotypes with more toxigenic ones. • Developed and validated a new analytical procedure for testing mercury in cereals, oilseeds, and pulses for grain safety assurance cargo monitoring. • Initiated a collaborative project with AAFC to study cadmium and baseline levels of boron, aluminium, nickel, and mercury uptake in Canadian soybeans. Completed the first stage of this project.

2006-2007 Related Activities	2006-2007 Results
Validate research to address current major grain quality issues in order to improve quality evaluation of grains (e.g., sprout damage in wheat, chlorophyll in canola, dehulling characteristics in lentils, germination energy in barley, food use of flax, and noodle quality)	• Expanded the imaging system developed to detect HVK kernels in durum wheat to detect difficult to assess weathered kernels. • Carried out a collaborative industry project to determine the feasibility of objectively measuring sprout damage in wheat. • Conducted research to identify possible processing problems and to establish grade tolerances for ruptured kernels in wheat. • Initiated a research project on the study of the effect of staining and wrinkling of red lentils on dehulling quality.
Research of wheat and barley DNA and protein fingerprinting methods to develop tests for identifying and quantifying varieties of grains in shipments in order to develop the capacity for identifying multiple variety composition and enable segregation of variety specific shipments	• Completed development and validation of a quantitative, DNA-based method to estimate variety composition of a ground sample of two-row barley. • Developed the variety database for a new multiplexed marker set to improve microsatellite-based DNA identification of wheat varieties. • Updated DNA fingerprint databases to include recently registered barley and western Canadian wheat varieties. The database for wheat was also expanded to include an additional 30 eastern Canadian wheat varieties and 18 U.S. wheat varieties.
Develop methods for identifying and quantifying GM grains and oilseeds to enable quantification of GM status of grain and meet the needs of the Biosafety Protocol	• Established an event-specific real-time PCR assay for the detection and quantification of the GT73 GM canola event. • Started verification of real-time PCR assay for quantification of Ms8 and Rf3 GM canola events. • Investigated the use of qualitative multiplex PCR assay for the detection of four different GM canola events in spiked wheat and barley ground samples. • Participated in an international collaborative study organized by AACC International on a quantitative detection method for maize GM event T25 in maize seed bulk samples. • Initiated a new project to determine the accuracy of GM composition analysis by PCR of canola cargo shipments which contain a distribution of different canola events. • Research in the reporting period focused primarily on canola and corn as mixtures of these GM crops within other grain shipments had the most potential for commercial impact.
Identify specific areas of interest (as part of the strategic plan of scientific research within the portfolio) by establishing working groups on science infrastructure, human	• Continued working with the CFIA and AAFC (AP Portfolio Working Group) on developing integrated government/industry approaches to address AP issues of GM events in commercial grains approved in Canada, but not necessarily in its export markets. • Prepared position papers with AAFC and CFIA on the acquisition and validation of GM grain detection technology for Canadian grains with emphasis on AP.

2006-2007 Related Activities	2006-2007 Results
resources, longer-term science vision, GM issues, and disposal for animal and plant health emergencies	• Joined an interdepartmental working group (CFIA, Environment Canada, Industry Canada, AAFC, and Health Canada) to provide input on the development of policies and regulations for Plant Molecular Farming. • Member of Canada Grains Council Biosafety Grain Trade Committee and provided input on biotechnology issues impacting the grains industry. • Participated in China-Canada Agricultural Biotechnology Working Group to review, discuss and resolve bilateral issues related to agricultural products of biotechnology. • Initiated year one of a multiyear collaborative project with AAFC (Matching Investment Initiative) to investigate seed coat colour and stability in Canadian hard wheat. • Began studies in collaboration with AAFC (Semiarid Prairie Agricultural Research Centre) to determine quality trait loci responsible for sprout damage in durum wheat. • Participated on the National Forum on Seed as an ex-officio member providing advice and support to foreign members on issues including AP, seed program modernization (variety or contract registration), and PNTs.

3. Research new grain standards

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$917	$935	$958

Continually evolving uses of grain requires that the CGC have the ability to anticipate, identify, and measure new grain specifications in order to meet changing industry needs.

The expected result of this key program is to develop objective testing protocols and specifications to support the Canadian grading system and facilitate the marketing and end-use diversification of Canadian grains. Given this expected result, researching new grain standards supports departmental Priorities #1 and #2.

To measure its success in ensuring that this key program is on track the CGC monitors:

- The application of newly developed objective measures of quality into the CGC's grading and inspection system
- Customer satisfaction with end-use quality as measured by client feedback during foreign missions or by client visits
- Value chain response to the quality assessment of new varieties and harvest survey information
- The quality and number of peer reviewed research papers published

The following ongoing activities are integral components that contribute to the evolution of grain standards to meet changing industry needs. Achievements during the 2006-2007 reporting period are provided to illustrate the CGC's success in meeting the expected results of this key program:

2006-2007 Related Activities	2006-2007 Results
Develop specifications and measurement protocols to support new standards to assist in diversification of end-uses of Canadian grains	• Evaluated RVA testing protocols in to assess the feasibility of meeting grain industry requirements for a rapid objective test to predict sprout damage. • Investigated the impact of HVK levels on quality specifications in both CWRS and CWHWS and recommended new specifications. • Completed a project and provided a report to members of the Eastern Standards Committee examining potential changes in the assessment of mildew standards in soft red winter wheat.
Increase the amount of objective testing (e.g., digital image analysis, NIR, oil composition) in order to replace subjective quality assessment factors with numerical tolerances	• Enhanced imaging system capabilities through the addition of hyper-spectral wavelengths. • Purchased new imaging equipment to address a variety of currently subjective evaluations in Canadian crop grading.
Develop testing protocols to support the segregation of grains with new end-use traits for non-food uses	• Continued to develop variety identification technology to allow the identification and possible segregation of grain for industrial end-uses, including ethanol production. • Continued to develop NIR technologies that can segregate and identify IP and specialty trait oilseed crops by their characteristic fatty acids or crop specific constituents.

Strategic Outcome 4: Producers' rights are supported to ensure fair treatment within the grain handling system.

Program Activity: *Protect producers' rights*

Financial Resources (S thousands):

Planned Spending	Authorities	Actual Spending
$2 208	$2 339	$3 740

Human Resources:

Planned	Authorities	Actual
21	21	35

The CGC is an impartial third party that, in the interests of producers, establishes and maintains standards of quality for Canadian grain and regulates grain handling in Canada to ensure a dependable commodity for domestic and export markets. The CGC is mandated to serve producer interests by upholding the CGA and as a result, has implemented a number of programs and safeguards. These include the licensing and security program, producer liaison measures, producer car procedures, and a quality appeal system.

This program activity directly supports departmental Priorities #1 and #3 (Licensing Compliance), as the CGC is mandated to ensure the fair treatment of producers within the grain handling system. Addressing Priority #4 is also important to maintain producer satisfaction with the delivery of various procedures and systems related to their protection.

The overall expected result of this program activity is increased producer satisfaction with the grain handling system. The CGC continually strives to improve on the programs and activities that directly contribute to the CGC's mandate of ensuring fair treatment of producers within the grain handling system. The following related key programs and services provide details on how the CGC was successful in meeting the expected outcomes and priorities associated with protecting producers' rights during the 2006-2007 reporting period.

Key Program or Service

1. Administer the licensing and financial security system

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$1 056	$1 119	$1 360

The CGC licenses and regulates primary, process, terminal and transfer elevators as well as grain dealers. Licensed elevators and dealers are required to post security to cover their liabilities to producers in the event of a company default. This regulatory activity contributes to the fair treatment of western Canadian producers.

In May 2005, the CGC provided notice of its intention to require compliance to the licensing provisions of the CGA to enhance producer protection and strengthen the GQAS. An announcement was made that effective August 1, 2006 all elevators and grain dealers, as defined by the CGA would be either licensed and secured, or exempted, or subject to criminal prosecution. During the reporting period, the CGC continued to broaden the licensee base at the producer delivery level and increased licensing, audit and compliance operational unit resources to address the increase in the number of licensees. To facilitate licensing compliance, the CGC continued efforts toward reducing the costs and administrative requirements of licensees.

The expected result of this key program is to decrease the level of CGC licensing non-compliance, increase the number of new grain dealers and operators that are licensed, and

mitigate financial risk to producers. This key program directly supports departmental Priorities #1 and #3.

To measure the success of its efforts in administering the licensing and financial security system, the CGC used the following methods and processes:

- Evaluation of producer claims under the licensing and security program. In the event of financial failure of a licensed elevator or grain dealer, the CGC tracks producer reimbursement from posted security
- Tracking the reduction in the number of unlicensed grain dealers and elevators operating in western Canada

The following ongoing activities are integral components of an effective licensing and financial security program. Achievements during the 2006-2007 reporting period are provided to illustrate the CGC's success in meeting the expected results of this key program:

2006-2007 Related Activities	2006-2007 Results
License eligible elevators and grain dealers http://grainscanada.gc.ca/Regulatory/licensees/licensees-e.htm	• Issued licences for 336 primary elevators, 37 process elevators, 16 terminal elevators, 13 transfer elevators, and 95 grain dealers as of March 31, 2007. • Since the inception of the Licensing Compliance Initiative, sent approximately 220 Mode of Operation packages to potential licensees to determine if licensing was required. Based on the resulting company submissions, determined that approximately 103 unlicensed companies required licensing under the CGA. To date, 47 new companies have become licensed. • Held discussions with unlicensed companies to initiate the licensing process.
Obtain security to protect producers in case of default by a licensee in order that producers receive compensation http://grainscanada.gc.ca/Regulatory/licensees/responsibilities-e.htm	• Continued to review licensee security requirements and adjusted the security requirements, as required, on the basis of in-store grain liabilities and posted security.
Conduct audits of licensees' liabilities to producers to monitor compliance with the *Canada Grain Act* http://grainscanada.gc.ca/regulatory/licensees/crops-e.htm	• Audited 19 licensees (CGC and Audit Services Canada) to ensure appropriate security coverage. Where security was deemed inadequate, the amount of security required was increased. • Completed visits to 17 new licensees and 1 visit to a potential licensee.
Develop strategies to facilitate a licensing and reporting process that increases the efficiency of administrative/reporting mechanisms	• Continued to review and update the forms and documents required by licensees in order to streamline the licensing process and requirements. • Assisted prospective licensees with completing documentation and setting up the compulsory security threshold.

2. Manage the allocation of railcars for individual producer requests

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$164	$174	$175

The CGC allocates producer cars for producers and producer groups that wish to ship their own grain. The CGC continued to develop and implement strategies to address producer car issues, including the increasing demand from producers for railcar allocations.
http://grainscanada.gc.ca/prodser/producercars/information/prodcars-e.htm

The expected results of this key program are, pursuant to the CGA and *Canada Grain Regulations*, to provide and make available an alternate grain delivery mechanism and respond to producer car allocation challenges. Managing the allocation of railcars for individual requests contributes to departmental Priority #1.

The CGC used the following methods and processes to measure its success in managing the allocation of railcars for individual producer requests:

- Tracking the number of producer car applications received
- Monitoring producer concerns with accessing producer cars by tracking the percentage of cars allocated versus the eligible applications received

The following ongoing activities are integral components of the administration of producer car delivery options. Achievements during the 2006-2007 reporting period are provided to illustrate the CGC's success in meeting the expected results of this key program:

2006-2007 Related Activities	2006-2007 Results
Allocate producer cars	• Received and processed applications from producers for 15,473 producer cars. For all requests, acknowledged the producer car application by mailing a notice of receipt of the application by the end of the next working day.
Address producer car issues	• Continued to work with the CWB and the railways (CP and CN) to address ongoing producer car issues. • Made available information on the producer car program on the CGC web-site and also distributed this to producers during agricultural fairs and exhibitions.

3. Fair treatment of producers by grain companies and dealers

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$833	$882	$2 044

To safeguard fair and equitable grain transactions for producers, the CGC has set up an information and compliance network. Inspection, weighing, and arbitration services are essential to the efficient and fair operation of grain markets for producers and the grain industry. Grades allow buyers to identify end-use characteristics without the need for end-use tests or direct examination of individual grain lots. This helps to ensure that producers are properly compensated for the quality and quantity of grain delivered and shipped.

The expected result of this key service is to successfully resolve complaints and facilitate settlements acceptable to those parties involved, while improving the ability of producers to manage their business risks. Based on this expected result, fair treatment of producers by grain companies and dealers directly supports both departmental Priority #1 and #3.

The CGC uses the following methods and processes to measure the success of its efforts in facilitating fair treatment of producers by grain companies and dealers:

- Tracking producer inquiries and complaints on unfair treatment by grain companies. Feedback, complaints and requests for information are received through: direct contact with Assistant Commissioners and CGC staff at Prairie service centres or Head Office; or the CGC 1-800 line
- Conducting periodic surveys of producers and producer groups to gain a producer perspective on the CGC, CGC services, or industry trends. Surveys provide the CGC with an understanding of producer requirements and expectations, benchmarks for setting service standards, and the impact of CGC services at the producer level
- Tracking the number of producer requests for grain sample analysis (e.g., "inspector's grade and dockage"). Satisfaction by producers in CGC-facilitated resolution of disputes involving grain transactions is measured by direct confirmation (part of the process) and by absence of recurrence

The following ongoing activities and services are integral components of safeguarding fair treatment of producers by grain companies and dealers. Achievements during the 2006-2007 reporting period are provided to illustrate the CGC's success in meeting the expected results of this key program:

2006-2007 Related Activities	2006-2007 Results
Mediate and/or arbitrate producer complaints concerning transactions with grain companies to facilitate negotiated settlements acceptable to both parties	• The Assistant Commissioners in western Canada responded to many producer inquires regarding failure to pay or late payment, grade or dockage disputes, producer cars, shrinkage deductions and elevator charges. http://grainscanada.gc.ca/Whoare/a-commissioners-e.htm • Received 1,710 producer inquiries on the toll free information line and 46 producer complaints. Licensing, Auditing and Compliance staff (Compliance Officers) addressed numerous other complaints in the course of their duties.
Re-inspection of samples on producer request and	• Continued to inform producers regarding their right to a binding quality determination by the CGC if they, or the person delivering the grain, disagrees with the grade or dockage received at a licensed primary elevator.

2006-2007 Related Activities	2006-2007 Results
investigation of quality complaints in order to mediate and resolve issues with grain transactions	• Distributed information packets on "subject to inspector's grade and dockage" at agricultural fairs, producer meetings, and exhibitions and continued to promote this service through prairie service centres and the CGC website: http://www.grainscanada.gc.ca/Prodser/quality_insp/subject_to-e.htm • Producers submitted 292 samples to the CGC for quality determination under "subject to inspector's grade and dockage". **Number of Requests for "Subject to Inspectors Grade and Dockage"** **Fiscal Year** — **Requests** 2002-03 — 368 2003-04 — 348 2004-05 — 419 2005-06 — 351 2006-07 — 292 • Producers requested 1,224 re-inspections on producer shipped railcars.
Review of regulations to amend or eliminate those that are no longer relevant, enforceable, or contributing to the effective operation of the Canadian grain industry	• Amended the CGR effective September 21, 2006 to improve readability, clarity, ease of use, consistency of language, and to reflect current procedures. In addition, Section 15 of the CGR was amended to clarify the CGC's licensing exemptions for elevators and grain dealers. http://grainscanada.gc.ca/Regulatory/Regulations/cgregs-e.asp • Reviewed the CGR to determine if amendments were required for implementation effective August 1, 2007.
Analyse licensee weigh-over/audit data and conduct investigations when appropriate http://grainscanada.gc.ca/forms/licencerep/info_wei-e.htm	• Continued to provide the Assistant Commissioners with detailed weigh-over reports identifying reporting delinquencies and anomalies for monitoring and investigative purposes.

4. Provision of grain quality information to producers

Financial Resources ($ thousands):

Planned Spending	Authorities	Actual Spending
$155	$164	$161

The CGC continually collects and updates grain quality data and grain handling information and makes it available to producers and other interested parties. Effective August 1, 2006 the CGC eliminated its fees for statistical publications. Publications that were previously available for a fee or through subscriptions are now available at no charge on the CGC website. Elimination of

the fees is consistent with policies regarding fees followed by other government departments such as Statistics Canada. http://grainscanada.gc.ca/newsroom/news_releases/2006/2006-08-04-e.htm

The expected result of this key service is the provision of accurate and relevant technical and statistical information to support producer sales and marketing decisions. As such, this key service supports departmental Priority #1.

In order to measure the success of its efforts in providing grain quality information to producers, the CGC used the following methods and processes:

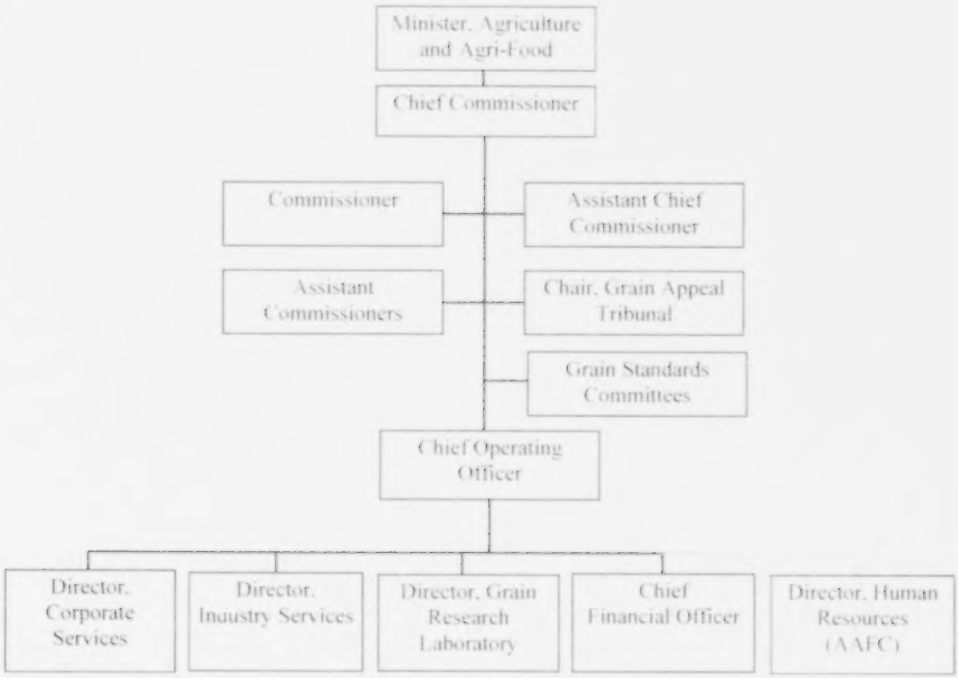
- Tracking visits to the CGC website and tracking requests for grain quality data and grain handling information
- Tracking employee time and expenses at agricultural trade shows
- Conducting periodic surveys of producers and producer groups to gain a producer perspective on the CGC, CGC services, or industry trends. Surveys provide the CGC with an understanding of producer requirements and expectations, benchmarks for setting service standards, and the impact of CGC services at the producer level

The following ongoing activities are integral components of the provision of grain quality information to producers. Achievements during the 2006-2007 reporting period are provided to illustrate the CGC's success in meeting the expected results of this key program:

2006-2007 Related Activities	2006-2007 Results
Maintain and disseminate grain quality assessment and technical information, (e.g. drying, sampling, harvest survey, etc.)	• Reinforced data integrity of grain quantity, quality, and handling information captured by CGC information systems, and made general information available to internal and external parties as required. • Provided producers with support related to mathematical calculations and metric conversions pertaining to grain quality. http://grainscanada.gc.ca/Quality/crop_qual-e.htm http://grainscanada.gc.ca/Quality/exports-e.htm http://grainscanada.gc.ca/Pubs/FactsFarm/facts-titles-e.htm
Publish statistical reports on grain stocks and handling within the licensed elevator system	• Continued to compile, verify and make available grain statistics reflecting the licensed handling system in weekly, monthly and annual publications. • Provided significant content for Statistics Canada and Canada Grains Council publications. http://grainscanada.gc.ca/Pubs/GrainStats/gsw-e.htm http://grainscanada.gc.ca/Pubs/GrainDeliveries/deliveries-e.htm http://grainscanada.gc.ca/Pubs/ExportsYearly/exportsyear-e.htm • Provided statistics to other CGC employees as per data requests.
Provide extension support for producers on statistics related topics (e.g. metric conversions, calculations, test/bushel weight determinations)	• Provided extension support to producers with respect to test-weight and metric conversions and other information pertaining to statistics.

SECTION III – SUPPLEMENTARY INFORMATION

Organizational Information



CGC partnerships

The CGC is integral to the functioning of Canada's grain industry. In our role as a neutral, third party regulator and arbiter, the CGC works in partnership with virtually every participant in the industry.

Key partners	Areas of co-operation
Industry	
Producers and producers' organizations Grain Companies Railways Processors University Laboratories Plant Breeders Instrument Manufacturing Companies Canadian Wheat Board Pulse Canada Canadian International Grains Institute Canadian Seed Institute Canadian Soybean Exporters Association Grain Exporters Ontario Wheat Producers' Marketing Board	Setting grain quality standards Operation of the grain quality and quantity assurance system Provide grain shipment and unload data interchange Dispute resolution for quality and quantity issues Development and implementation of policies and regulations Sharing market information Market development and support Research and technology transfer Auditing and certifying industry IP systems
Portfolio Departments and Agencies	
Agriculture and Agri-Food Canada Canadian Food Inspection Agency Canadian Dairy Commission Farm Credit Canada National Farm Products Council	Grain data co-ordination Sharing knowledge Research Strategic planning Meeting international tolerances for toxic contaminants in grain Shared quality and quantity assurance program delivery
Other Government Departments	
Foreign Affairs and International Trade Canada Statistics Canada Industry Canada Health Canada Canada Border Services Agency Transport Canada Justice Canada Treasury Board of Canada	Sharing knowledge Facilitating international trade Publication of grain statistics and funding of international consulting projects Market development and support Grain shipment and unload data interchange Inspection and certification of terminal and transfer elevator scales Regulation of grain imports

Foreign	
U.S. Department of Agriculture (Grain Inspection, Packers and Stockyards Administration) Japanese Food Agency Commonwealth Scientific and Industrial Research Organisation (Australia) State Administration of Grain (China) Agropecuaria (Uruguay)	Shared quality assurance program delivery Facilitating international trade Research Technology training Information Exchange

Table 1: Comparison of Planned to Actual Spending (including FTEs)

($ thousands)	2004–05 Actual	2005-06 Actual	2006–2007			
			Main Estimates	Planned Spending	Total Authorities	Total Actuals
Deliver inspection and testing services[1]	39 186	42 535	49 363	49 363	49 894	41 566
Deliver weighing services[1]	12 092	12 637	15 996	15 996	16 371	12 316
Conduct research to understand and measure grain quality	8 345	10 077	9 171	9 171	9 355	9 582
Protect producers' rights[1]	3 662	4 895	2 208	2 208	2 339	3 740
Total	**63 285**	**70 144**	**76 738**	**76 738**	**77 959**	**67 204**
Plus: Cost of services received without charge	2 345	803	1 733	1 733	1 733	352
Total Department Spending	**65 630**	**70 947**	**78 471**	**78 471**	**79 692**	**67 556**
Full-time Equivalents	**621**	**635**	**712**	**712**	**712**	**631**

[1] Includes Canadian Grain Commission (CGC) Revolving Fund activities.

This table represents the total Revolving Fund and Appropriation for main estimates, planned spending, total authorities, and actual spending.

The difference between planned spending and total authorities is $1 221 K which reflects allocations from Treasury Board for severance pay and collective agreements.

The difference between total actuals and total authorities reflects the CGC's revolving fund surplus of approximately $11 M.

The difference between actual and planned FTEs reflects the following:

- Planned FTEs for 2006-2007 in the RPP should have been reflected as 664.
- The increase in grain volumes and corresponding work volumes caused a delay in hiring.

The difference between total actuals and planned spending for cost of services received without charge is a result of an overstatement of planned spending for 2006-2007 in the RPP, which should have been $396.

Table 2: Resources by Program Activities

2006-2007						
Program Activity	**Budgetary ($ thousands)**					
	Operating	**Capital**	**Total: Gross Budgetary Expenditures**	**Less: Respendable Revenue**	**Total: Net Budgetary Expenditures**	**Total (including Non-Budgetary)**
Deliver inspection and testing services						
Main Estimates	46 322	3 041	49 363	31 326	18 037	18 037
Planned Spending	46 703	2 660	49 363	31 326	18 037	18 037
Total Authorities	47 205	2 689	49 894	31 326	18 568	18 568
Actual Spending	40 587	979	41 566	30 109	11 457	11 457
Deliver weighing services						
Main Estimates	15 011	985	15 996	9 325	6 671	6 671
Planned Spending	15 133	863	15 996	9 325	6 671	6 671
Total Authorities	15 487	884	16 371	9 325	7 046	7 046
Actual Spending	12 037	279	12 316	12 101	215	215
Conduct research to understand and measure grain quality						
Main Estimates	8 416	755	9 171	-	9 171	9 171
Planned Spending	8 510	661	9 171	-	9 171	9 171
Total Authorities	8 681	674	9 355	-	9 355	9 355
Actual Spending	9 292	290	9 582	-	9 582	9 582
Protect producers' rights						
Main Estimates	2 058	150	2 208	865	1 343	1 343
Planned Spending	2 077	131	2 208	865	1 343	1 343
Total Authorities	2 200	139	2 339	865	1 474	1 474
Actual Spending	3 667	73	3 740	506	3 234	3 234

Table 3: Voted and Statutory Items

Vote or Statutory Item ($ thousands)	Truncated Vote or Statutory Wording	2006–2007			
		Main Estimates	Planned Spending	Total Authorities	Actual
40	Operating expenditures	24 666	24 666	24 666	24 666
40a	Program expenditures	-	-	1 221	1 221
(S)	CGC Revolving Fund	(127)	(127)	(127)	(127)
(S)	Contributions to Employee Benefit Plans	10 683	10 683	10 683	10 683
	Total	**35 222**	**35 222**	**36 443**	**36 443**

The summary of voted Appropriations represents the amount of funding received by the CGC through the approved votes. It compares main estimates, planned spending, and total authorities to what the CGC actually spent.

The difference between planned spending and total authorities is $1 221 K which reflects allocations from Treasury Board for severance pay and collective agreements.

Actual appropriation differs from the revolving fund financial statements by $733 K. The CGC received a recovery of severance pay from the Treasury Board and recorded it as a reduction of expenses versus recording it as appropriation revenue.

Table 4: Services Received Without Charge

(S thousands)	2006–2007 Actual Spending
Accommodation provided by Public Works and Government Services Canada	-
Contributions covering employer's share of employees' insurance premiums and expenditures paid by Treasury Board Secretariat (excluding revolving funds)	201
Workers' compensation coverage provided by Social Development Canada.	151
Salary and associated expenditures of legal services provided by the Department of Justice Canada	-
Total 2006–2007 Services received without charge	**352**

This table represents all services provided and paid by other government departments on behalf of the CGC.

Table 5: Sources of Respendable Revenue

Sources of Respendable Revenue ($ thousands)	Actual 2004-05	Actual 2005-06	2006-2007			
			Main Estimates	Planned Revenue	Total Authorities	Actual
Deliver inspection and testing services						
Inspection, registration, and cancellation		26 323				27 627
Other		1 330				2 482
Total		**27 653**	**31 326**	**31 326**	**31 326**	**30 109**
Deliver weighing services						
Weighing, registration, and cancellation		10 633				11 542
Other		43				559
Total		**10 676**	**9 325**	**9 325**	**9 325**	**12 101**
Conduct research to understand and measure grain quality						
Other						
Total		-	-	-	-	-
Protect producers' rights						
Licences		183				502
Other		259				4
Total		**442**	**865**	**865**	**865**	**506**
Total Respendable Revenue	**35 942**	**38 771**	**41 516**	**41 516**	**41 516**	**42 716**

This table identifies all sources of revenue generated, excluding appropriation. Respendable revenues represent funds generated through fees and contracts for services rendered by the CGC. These revenues are used to offset a portion of the costs of providing these services.

Table 6: Revolving Funds

Statement of Operations

($ thousands)	Actual 2004-05	Actual 2005-06	2006–2007			
			Main Estimates	Planned Spending	Authorized	Actual
Revenue						
Appropriation	21 829	27 305	35 222	35 222	36 443	35 710
Respendable	35 942	38 771	41 516	41 516	41 516	42 716
Total revenues	**57 771**	**66 076**	**76 738**	**76 738**	**77 959**	**78 426**
Expenses						
Operating:						
Salaries and employee benefits	49 696	55 310	56 215	56 215	57 173	53 832
Depreciation	1 857	2 174	1 739	1 739	1 739	1 974
Repairs and maintenance	430	422	641	641	652	490
Administrative and support services	9 140	10 093	11 919	11 919	12 122	8 456
Utilities, materials, and supplies	1 947	1 977	2 719	2 719	2 765	2 258
Marketing	215	168	186	186	189	194
Total expenses	63 285	70 144	73 419	73 419	74 640	67 204
Surplus (Deficit)	**(5 514)**	**(4 068)**	**3 319**	**3 319**	**3 319**	**11 222**

This table reflects and allocates the costs associated with the total revenues generated.

The difference between planned spending and total authorities is $1 221 K which reflects allocations from Treasury Board for severance pay and collective agreements.

Actual appropriation differs from the revolving fund financial statements by $733 K. The CGC received a recovery of severance pay from the Treasury Board and recorded it as a reduction of expenses versus recording it as appropriation revenue.

Statement of Cash Flows

($ thousands)	Actual 2004-05	Actual 2005-06	2006-2007			
			Main Estimates	Planned Spending	Authorized	Actual
Surplus (Deficit)	**(5 514)**	**(4 068)**	**3 319**	**3 319**	**3 319**	**11 222**
Add non-cash items:						
Depreciation/amortization	1 857	2 174	1 739	1 739	1 739	1 974
Provision for employee termination benefits	654	842	-	-	-	1 086
Gain on disposal of property and equipment	(7)	(3)	-	-	-	(13)
Change in working capital	1 357	(1 047)	-	-	-	(1 260)
Investing activities:						
Acquisition of depreciable assets	(2 962)	(1 767)	(4 931)	(4 931)	(4 931)	(1 600)
Cash Surplus (requirement)	**(4 615)**	**(3 869)**	**127**	**127**	**127**	**11 409**

This table converts the financial statement information from book value to a cash basis.

Projected Use of Authority

($ thousands)	Actual 2004-05	Actual 2005-06	2006-2007			
			Main Estimates	Planned Spending	Authorized	Actual
Authority	**2 254**	**2 381**	**2 381**	**2 381**	**2 381**	**2 381**
Drawdown:						
Balance as at April 1	16 780	12 165	127	127	127	8 296
Operating (deficit)/surplus	(16 780)	(12 165)	-	-	-	(8 296)
Projected surplus (drawdown)	(4 615)	(3 869)	127	127	127	11 409
Projected Balance at March 31	**(2 361)**	**(1 488)**	**2 635**	**2 635**	**2 635**	**13 790**

This table represents the projected balance which is made up of the accumulated net charge (April 1), ANCAFA (cash account), and the CGC's Revolving Fund authority.

Table 7: User Fees

2006-2007 User Fee Reporting – *User Fees Act*

				2006-2007 ($ thousands)				
User Fee	**Fee Type**	**Fee Setting Authority**	**Date Last Modified**	**Forecast Revenue**	**Actual Revenue**	**Full Cost**	**Performance Standard**	**Performance Results**
Inward Inspection	*R*	*Schedule I Canada Grain Regulations (CGR)*	1991	5 670	8 277	10 176	See Annex 2	See Annex 2
Outward Inspection	*R*	*Schedule 1-CGR*	1991	13 233	15 509	11 694	See Annex 2	See Annex 2
Inward Weighing	*R*	*Schedule 1-CGR*	1999	1 553	1 862	3 395	See Annex 2	See Annex 2
Outward Weighing	*R*	*Schedule 1-CGR*	1991	6 421	8 122	6 098	See Annex 2	See Annex 2
Registration and Cancellation	*R*	*Schedule 1-CGR*	1991	3 382	4 151	1 056	See Annex 2	See Annex 2
Licensing and Producer Cars	*R*	*Schedule 1-CGR*	1991	240	503	1 413	See Annex 2	See Annex 2
Total				**30 499**	**38 424**	**33 832**		

Actual revenue exceeds full cost due to the fact that the CGC handled above average grain volumes. Forecasted grain volumes were 47.6 M tonnes versus actual grain volumes of 55.8 M tonnes.

Table 7: Continued

2006-2007 User Fee Reporting – *User Fees Act*

		Planning Years ($ thousands)					
		2007-2008		2008-2009		2009-2010	
User Fee	Fee Type	Forecast Revenue	Estimated Full Costs	Forecast Revenue	Estimated Full Costs	Forecast Revenue	Estimated Full Costs
Inward Inspection	*R*	5 870	11 021	5 870	11 297	5 870	11 579
Outward Inspection	*R*	13 328	12 723	13 328	13 040	13 328	13 367
Inward Weighing	*R*	1 653	3 672	1 653	3 764	1 653	3 858
Outward Weighing	*R*	6 662	6 546	6 662	6 710	6 662	6 877
Registration and Cancellation	*R*	3 547	1 096	3 547	1 123	3 547	1 151
Licensing and Producer Cars	*R*	259	1 831	259	1 877	259	1 924
Total		**31 319**	**36 889**	**31 319**	**37 811**	**31 319**	**38 756**

Most CGC revenue is generated from fees charged for mandated inspection and weighing of grain exported through licensed terminal or transfer elevators.

2006-2007 User Fee Reporting - *Policy on Service Standards for External Fees*

Supplementary information on Service Standards for External Fees can be found at:
http://cgc.ams/canada.gc.ca/pubs/corporate/service/fees-e.htm

Table 8: CGC Financial Statements

Fiscal year 2006-2007 CGC audited financial statements can be accessed using the following link: http://grainscanada.gc.ca/pubs/corporate/finance/financgc07-eng.pdf

Financial Statements are prepared in accordance with accrual accounting principles. The unaudited supplementary information presented in the financial tables in the DPR is prepared on a modified cash basis of accounting in order to be consistent with appropriation-based reporting.

Table 9: Audits and Evaluations for Fiscal Year 2006–2007

Internal Audits 2006-2007
Completed Reviews: • Harvest Survey Review http //grainscanada gc ca/Pubs/pubmenu-e htm#audits • Review of testing at the GRL http //grainscanada gc ca/Pubs/pubmenu-e htm#audits • Canadian Identity Preserved Recognition System (CIPRS) Program Review http //grainscanada gc ca/Pubs/pubmenu-e htm#audits *Scheduled Reviews*: • User Fees – Review progress of the User Fee Committee • Section 34 Authorities (HR and other) • Petty cash and cash float processes • Use of service standards in Performance Management (IS) • Project Management Process (PMP) Note: the scheduled reviews were deferred to a later date as available resources were used to implement the requirements of the internal audit policy.

Table 10: Client-Centred Service

Supplementary information on Client-Centred Service can be found at: http //grainscanada gc ca/pubs/corporate/service/client-e htm

Table 11: Travel Policies

Comparison to the Treasury Board of Canada Secretariat Special Travel Authorities

The Canadian Grain Commission follows the Treasury Board of Canada Secretariat *Special Travel Authorities.*

http://www.tbs-sct.gc.ca/pubs_pol/hrpubs/TBM_113/STA_e.asp

Comparison to the Treasury Board of Canada Secretariat Travel Directive, Rates and Allowances

The Canadian Grain Commission follows the Treasury Board of Canada Secretariat *Travel Directive*, Rates and Allowances.

http://www.tbs-sct.gc.ca/pubs_pol/hrpubs/TBM_113/td-dv_e.asp

http://www.tbs-sct.gc.ca/hr-rh/gtla-vgcl/menu-travel-voyage_e.asp

SECTION IV – OTHER ITEMS OF INTEREST

Annex 1: Corporate Infrastructure and Government-Wide Initiatives

CGC corporate infrastructure includes support functions such as management of human resources, information technology, statistical services, communications, finance, policy and planning, administration, and health and safety. These functions enable the CGC to deliver the activities necessary to achieve its strategic outcomes and result in improved performance, increased employee productivity and effective communication with industry and producers. Success in these areas was measured by evaluating the effectiveness of specific activities and measurement tools for specific programs such as competent staff, number of accidents, meeting legislative requirements, and efficiency gains due to well-developed information technology.

Although the CGC is a small department with limited resources, it prides itself on the ability to implement government-wide initiatives. Sound agency management denotes not only cost efficiency, but signifies the CGC's commitment to government-wide initiatives such as the Management Accountability Framework, providing services in both official languages, the Government On Line (GOL) initiative, and effective partnering with other government organizations to provide effective, efficient service to Canadians. Success in this area is measured by tracking specific activities undertaken to achieve the goals of various government-wide initiatives and measuring program, unit, and individual performance against performance targets.

The CGC is committed to fulfilling its mandate in the most efficient and cost effective manner possible. The costs of both corporate infrastructure and implementation of government-wide initiatives are accounted for under the costs of delivering CGC strategic outcomes and program activities. The following sections provide descriptions of internal CGC and government-wide initiatives and activities.

Management of Human Resources

A skilled and motivated workforce is critical to the CGC in delivering its services to Canadians. The CGC is committed to providing an inclusive and diverse workplace that is representative of the citizens and communities served. The following activities and initiatives were integral components to the management of human resources in the reporting period:

2006-2007 Activities	2006-2007 Results
Effective communication and integration of human resource goals, priorities, and business planning	• Developed performance measures and held discussions to help CGC employees understand how their individual work contributes to the overall success of the department. • Initiated development of tools to track human resource metrics. • Designed and implemented people planning guidelines and processes.

Further implementation of competency-based initiatives (performance management, training, and resourcing) to develop and sustain a capable workforce and fulfill departmental objectives	• Developed new competency dictionary. • Developed generic statements of merit criteria based on new *Public Service Employment Act* (PSEA) guidelines. • Drafted learning maps for new employees, supervisors and managers. • Implemented policy on Required Training.
Communication and integration of changes from the *Public Service Modernization Act* (PSMA) into CGC human resource policies and processes	• Implemented all aspects of the PSMA. • Met the Public Service Commission target for implementation of the PSEA.
Development, implementation, and communication of a comprehensive People Management Framework which reflects departmental needs and modernized human resource management legislation and practices	• Developed the People Management Framework in consultation with over 100 employees and managers.
Development of a succession strategy/process for CGC leadership	• Commenced research regarding best practices. • Updated demographics and commenced updating competencies. • Held discussions at the senior management level on focus and direction.
Initiation of communication with union officials to strengthen relationships and consultation practices in order to improve collaboration and increase informal issue resolution	• Undertook several initiatives to contribute to a strategic and consultative approach to union-management consultations. • Reviewed commitments for consultative working relationships at National Union Management Committee (NUMC) meetings. • Involved bargaining agents in the early stages of program development (e.g., performance management, People Management Framework). • Co-development of Informal Conflict Management System (ICMS). • Co-development of recommendations related to the implementation of one operational group.
Design and implementation of an informal conflict management system	• Designed and implemented an ICMS with a working group that included all bargaining agents, representatives of all divisions, and HR. • Conducted an internal awareness campaign.

Further development of generic work descriptions, leave self-service, and other electronic or web-based tools	• Developed several communication pieces to maximize the use of leave self-service, My Information, and the on-line self-identification survey. • Implemented compensation web applications to give employees immediate access to live pay and benefits data and tools. • Developed generic work descriptions and statements of merit criteria for senior inspection positions.
Continued implementation of the CGC's Employment Equity Plan	• Reviewed the existing three year Employment Equity Plan to identify results achieved. • Initiated work on a plan for incorporating achievements of previous years and information from new Workforce Analysis.
Development of a performance management tool to be piloted in the organization	• Held consultations with various stakeholders, including bargaining agents, to identify program needs.

Information Technology (IT)

2006-2007 Activities	2006-2007 Results
Develop and manage an information technology infrastructure that is responsive, secure, and provides support to enhance all aspects of CGC business	• Delivered agreed upon software to the organization according to budget and project timelines. • Continued to procure software solutions, as an alternative to in-house development when applicable.
Develop, acquire, and implement advanced software applications and providing IT operational support	• Continued to manage server population through increased power, network throughput, and rationalization. • Continued to evolve the infrastructure by increasing bandwidth and upgrading routers and switches. • Implemented increased data storage to secure and control data archiving. • Initiated IT disaster recovery planning.
Storage, handling, and provision of operational data in a secure and timely manner to improve decision-making and reduce costs	• Reviewed and upgraded IT policies to reflect changing realities and to reflect best practices. • Implemented new software tools to monitor compliance within the CGC to the Information Technology Policy.

Statistical Services

2006-2007 Activities	2006-2007 Results
Provide concise and timely statistical support to all work groups	• Continued to support CGC working groups with data provision and information support. Data was provided for standard internal reports, monitoring programs, as well as ad hoc reports on unloads, shipments and re-inspections to answer specific questions not accommodated by standard reports.

Provide extension support to industry and other government organizations on statistical related topics	• Supported Access to Information and Privacy (ATIP) and Competition Bureau data requests. • Responded to urgent ad hoc data requests from industry.

Communications

2006-2007 Activities	2006-2007 Results
Provide effective internal communications (e.g., Staff net, bulletins, Chief Operating Officer communications, planning session information)	• Published a CGC newsletter approximately every six weeks on the CGC intranet (StaffNet) to help keep staff informed of various issues of importance and interest to the organization. • Released staff bulletins as required. • Held quarterly leadership planning sessions. • Communicated the CGC's state of affairs (Odyssey presentation) to staff in April and May 2006. • Continued to visit and meet staff at CGC worksites and waterfront elevators.
Develop and implement effective external communication tools (e.g., CGC web-site, news releases and conferences, and industry meetings and conferences)	• Through the CGC web-site: provided quick and easy access to information about the CGC, its policy decisions, programs, activities and announcements; information related to grain quality, quantity and research; information related to producer protection; statistical information; and other services and information for grain producers and the grain industry. • Provided electronic subscription services to notify users about new information added to the CGC web-site. • Introduced an on-line service for grain producers to obtain grading results on their harvest samples. • Met with grain producers at 8 agricultural trade shows in western Canada to address comments and questions, gather feedback, and provide information. • Delivered presentations and participated in panel discussions during producer and industry organization meetings in western and eastern Canada. • Provided tours of the CGC facilities to grain producers, marketers and buyers of Canadian grain, researchers, and other grain industry members.
Continue developing communication skills within the organization	• Trained approximately 50% of all employees in communication and conflict management in the workplace.
Promote and implement the requirements of the *Official Languages Act* to provide improved services and information in both official languages	• The CGC's Official Languages Committee: ○ Continued to make French language training resources available for staff. ○ Continued to update the Position and Classification Information System database. ○ Supported Francophone community events and promoted these events to staff. ○ The Administration Officer is a member of the Manitoba Interdepartmental Network of Official Languages Coordinators (MINOLC) and information is shared between

	both MINOLC and the CGC Official Languages Committee. ○ The Official Languages Champion attended a variety of information sessions, such as the Champions' Conference and shared information with the committee. ○ Launched a web-site on the CGC intranet providing staff with information about the Committee's functions, activities, and links to other committees, learning tools and resources. • Maintained a bilingual glossary of grain-related terminology on the CGC web-site

Finance

2006-2007 Activities	2006-2007 Results
Continue delivery of financial transaction processing and reporting requirements, as well as provision of guidance to the organization	• Produced financial statements using Treasury Board Accounting Standards and received an unqualified audit report from PricewaterhouseCoopers LLP. • Provided support to the Policy Unit by supplying financial data for Central Agency reporting. • Responded to Central Agency inquiries in a timely manner. • Received a positive quality assurance result from Public Works and Government Services Canada demonstrating a 12% reduction of errors in the trial balance exception reports.
Respond to the requirements of the *User Fees Act* by continuing to manage and report on key characteristics of identified CGC user fees	• Maintained a User Fees Committee with representation from various divisions in the organization that: ○ Reviewed existing user fees to identify redundancies and streamline fees. ○ Compiled information on existing service standards and performance measures. ○ Continued to standardize the documentation of service descriptions, components, and deliverables for each service fee in template format and reviewed progress with program management. ○ Developed costing methodology to facilitate the calculation of individual service costs. ○ Published relevant information regarding CGC fees on the web-site.

Internal Audit

2006-2007 Activities	2006-2007 Results
Conduct planned internal audit activities to accomplish risk assessment of all key risk areas	• Developed an internal audit plan for fiscal year 2006-2007. Undertook the following activities: ○ Completed a review of CIPRS ○ Completed a review of GRL Testing (report not presented before end of fiscal year). ○ Completed a Harvest Survey Review.

Policy and Planning

2006-2007 Activities	2006-2007 Results
Provide policy support to all work groups to aid in corporate decision making	• Provided research, analytical, and writing support on numerous issues and initiatives involving other CGC divisions, external industry stakeholders, producers, and other government agencies and departments. • Expended significant effort during the reporting period on the Meyers Norris Penny Inward Weighing and Inspection Review, CGC and CGA Review, Licensing Compliance Initiative, and development of the WQAS. • Provided research, analysis, and advice to support decision making by Commissioners and other senior CGC officials. • Prepared briefing notes and correspondence, and contributed to internal and external communication tools as required. • Represented the CGC at various industry and interdepartmental meetings and events. • Coordinated and prepared planning and reporting documents including the Report on Plans and Priorities (RPP) and the Departmental Performance Report (DPR).

Administration Services

2006-2007 Activities	2006-2007 Results
Manage national and regional administrative programs and policies in order to provide efficient and effective administrative support to all CGC divisions	• Held monthly National Administration Officer meetings. • Addressed and monitored issues experienced during implementation of the Expense Management Tool for business travel. • Shared travel information bulletins with all administration officers and staff. • Sent out a client satisfaction survey to determine if mailroom services met service standards. • Implemented and tested E-FRISBEE, a transportation software package, at CGC Headquarters.
Manage CGC facilities and telecommunications to secure rent and telecom savings and provide an efficient, safe and healthy work environment	• Managed lease renewals required in the context of the ongoing CGC review. • Experienced a decrease in telecom costs for a third year due to centralization of the telecom budget and through the efforts of standards, policies, streamlined processes, and continued communication.
Address service accommodation needs by: renewing leases as they come due; reconfigure when necessary; relocate where required; and refine and analyze recapitalization options for CGC Headquarters	• Continued to work with PWGSC project team to address the Headquarters building recapitalization. • Completed a design standard for regional offices to address future lab and processing space needs and requirements in order to help maximize efficiencies.

Test the business continuity plan (BCP) and train staff to ensure the delivery of services are more reliable and secure in case of a hazardous occurrence	• Completed the IT Disaster Recovery Plans in support of the BCP Project. • Ran field tests on two elements of the IT Disaster Recovery Plan. • Purchased servers and software for the IT Disaster Recovery Plan implementation. • Continued to communicate BCP plans at CGC leadership sessions, team meetings, and via the CGC newsletter.

Health and Safety

2006-2007 Activities	2006-2007 Results
Manage the ongoing development of an effective health and safety program aimed at achieving a decreased accident rate and a healthy, productive workforce	• Continued to develop the Hazard Prevention Program: o Conducted training for hazard recognition, control, and the processes involved in Job Safety Analysis (JSA) for the GRL. o Developed JSA's for many GRL tasks. • The National Occupational Safety and Health Policy Committee: reviewed Risk Assessments for several locations, launched a scent awareness campaign, and continued to investigate the best options for gas monitors, safety vests and other personal protective equipment worn in elevator environments. • Examined all non-CSA or ULC equipment used by the CGC and granted CSA approval. • Improved Health and Safety incident reporting by implementing a new hazard investigation Report approved by HRSDC. • Continued development and testing of the BCP. • Continued transition of safety information to Infonet.

Corporate Development

2006-2007 Activities	2006-2007 Results
Continue to record and support the expanding list of activities to fulfill the mandate of the Management Accountability Framework (MAF)	• Continued planning and implementation of activities within the broad scope of the MAF as outlined in the MAF Action Plan published in the fall of 2005 http://grainscanada.gc.ca/pubs/corporate/maf/maf-e.htm
Complete performance measures by which unit and individual employee effort is evaluated for all fee-for-service CGC activities	• Completed performance measures for all CGC divisions and units. These are being implemented in performance management.
Complete service standards for all fee-for-service CGC activities	• Continued to finalize service standards for all CGC user fees.

Partnering with Other Government Organizations

2006-2007 Activities	2006-2007 Results
Provide phytosanitary inspection of grain elevators on behalf of the Canadian Food Inspection Agency to eliminate the duplication of services	• Under the terms of a letter of agreement with the CFIA, conducted a total of 258 elevator inspections across Canada, inspected 16 vessels in the Port of Churchill, and provided information on 2,073 submitted samples that allowed for issuance of phytosanitary certificates.
Provide grain inspection on behalf of the US Federal Grain Inspection Service (FGIS) in eastern Canada as per the Memorandum of Service to facilitate the movement of grain	• Processed 18 phytosanitary samples and provided 29 vessel hold inspections on behalf of FGIS in the Eastern region. • Certified 8 vessels and witnessed the fumigation of 6 on behalf of FGIS.
Review areas of shared responsibility with the Canadian Food Inspection Agency, Health Canada, Agriculture and Agri-Food Canada and other agencies to ensure there are no gaps in domestic grain safety assurance, GM grain, identity preservation, and non-Canadian grain	• Attended regular meetings of the Adventitious Presence Portfolio Working Group, made up of representatives from AAFC, CFIA and CGC. ○ Developed action plans to address AP issues and using support funds from the Canadian Biotechnology Strategy, engaged in several policy development activities. • Launched the process of determining a mechanism to minimize leakage of U.S. wheat varieties into the Canadian grain handling system, in partnership with AAFC and CFIA. • Became a member of the Portfolio Seed Policy Working Group of which, the Portfolio Science Collaboration Working Group for grain safety assurance held, and continues to hold, discussions on the disposal of contaminated grain and other substances. • Continued to work with CFIA's Variety Registration Office (VRO) to develop a contract registration program for the bread wheat variety 5400IP. ○ Undertook audits of commercial production of 5400IP in collaboration with the VRO and instituted a variety identification program to monitor for leakage of 5400IP into mainstream CWRS carlots and cargoes.

Annex 2: Performance Standards and Results

User Fee	Performance Standard	Performance Results 2006-2007
Inward Inspection	• Provide all services in a courteous, professional manner • Prepare and distribute documentation to interested parties within 24 hours of unload • Provide thorough elevator inspections with regard to automatic samplers, protein testers and moisture meters, dryers and other related mechanical equipment • Provide advice for companies regarding installation of new or modified sampling equipment, dryers and other mechanical equipment where applicable • Address special requests to meet customer needs	From April 1, 2006 to March 31, 2007, CGC staff inspected 265,816 inward grain cars. The grading of inward grain cars was 97.5% accurate. Service standards were met 100% of the time.
Outward Inspection	• While grain is being conveyed to the vessel, truck or railcar, continuously monitor the grade of the grain according to the information listed on the shipping order • Analyze representative increments for a cargo every 2000 tonnes or within a timed interval that has been identified for the terminal and advise the shippers of the results within 20 minutes of commencing the analysis, and always when there is a problem • Notify the designated facility representative immediately after the discovery of quality anomalies to minimize the cost of corrections • Keep an official record of the loading and retain samples for six months so that the CGC and its customers can review the details of the shipment should the need arise • Accurately reflect the loading data in the certificate, letters of analysis or other documents that are issued and offer as much flexibility in the format of these documents as our Act and Regulations allow • Issue the appropriate certificates for the cargo within twenty-four hours of receiving a) the documentation requests from the shipper exporter and b) the loading data from the inspection unit	From April 1, 2006 to March 31, 2007, CGC staff issued 728 certificates of quality representing 25,775,223 tonnes of Canadian export grain. Service Standards were met 100% of the time.

User Fee	Performance Standard	Performance Results 2006-2007
Inward Weighing	• Endeavour to provide receipt data within 24 hours of unload • Provide all services in a courteous, professional manner • Accurately determine the amount of grain weighed and facilitate the verification of the weight with the interested parties through the certification and documentation issued • Monitor weights and grain flow routes while grain is being conveyed from the truck or railcar • Notify the facility representatives immediately after the discovery of quantity anomalies or weighing exceptions in order to minimize correction costs • Address special requests to meet clients needs	From April 1, 2006 to March 31, 2007 CGC staff officially weighed 285,240 inward grain cars. Service Standards were met 100% of the time.
Outward Weighing	• Endeavour to provide shipment data before the close of the next business day • Ensure the timely transfer of official documents • Process and document all shipments so as not to delay the loading operations of the facility • Accurately determine the amount of grain weighed and facilitate the verification of the weight with the interested parties • Continuously monitor the weights and grain flow routes while grain is being conveyed to the truck, railcar or vessel • Notify the facility representatives immediately after the discovery of quantity anomalies or weighing exceptions so that the cost of corrections is minimized • Keep an official record of shipping routes and scale tapes for 2 years after a loading • Accurately reflect the loading data in the certificates and other documents that are issued	From April 1, 2006 to March 31, 2007, CGC staff officially weighed 25,840,909 tonnes of grain for export from Canada. Service Standards were met 100% of the time.
Registration and Cancellation	• Reply to client phone calls or e-mails within 30 minutes of the time they are received or advise employees (via a message) when we will be able to resolve their questions • Provide 5 minute response between the hours of 7:30 and 4:30 CST and within 30 minutes at other times • Monitor the system on weekends to ensure continued operation	Service Standards were met 100% of the time.

User Fee	Performance Standard	Performance Results 2006-2007
Licensing	• Upon receipt of all required documentation for licensing, monitor prospective licensee files to ensure that the files are processed and approved within 10 working days (pending availability of decision makers). • Advise licensees of their licensing requirements 2 months prior to their licence renewal date. • Notify a licencee the day a licence is issued and ensure that the licence is mailed to the licensee within 5 working days from the effective date of the licence. • Ensure that customers are notified about changes in a CGC licensees' status within 3 working days of the effective change. In lieu of a 3 working day standard, notification of changes will take place via newspaper and other media publications. • Respond to customer inquiries within 24 hours.	From April 1, 2006 to March 31, 2007, the CGC had 142 licensees as required by the CGA and CGR. Service standards were met 100% of the time.